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Canada. Parliament. House of  
Commons. Select Standing Committee  
Minutes of proceedings and  
evidence.....

1929





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SESSION 1929

3 L HOUSE OF COMMONS

## MINUTES OF PROCEEDINGS AND EVIDENCE

OF THE

4 L SELECT STANDING COMMITTEE

ON

## AGRICULTURE AND COLONIZATION

RESPECTING AN ORDER OF REFERENCE,—Re Grading  
and Inspection of WHEAT

No. 19



FRIDAY, MAY 17, 1929

### WITNESS:

George McIvor, Sales Manager, Canadian Wheat Pools.

*Filed and Printed*—Telegram from the Secretary of the North West Grain  
Dealers' Association.



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

FRIDAY, May 17, 1929.

The committee came to order at 11 a.m., Mr. Kay presiding.

Members present: Messrs. Bancroft, Brown, Carmichael, Cayley, Coote, Donnelly, Forke, Garland (Bow River), Gardiner, Glen, Kay, Lucas, Malcolm, McKenzie, McMillan, Millar, Motherwell, Ross, Spence, Spotton, Steedsman, Stirling, Vallance, Young.

Mr. George McIvor, Manager of the Central Selling Agency of the Canadian Grain Pools, was called, sworn, and submitted to examination.

The chairman read a telegram from the Secretary of the North West Grain Dealers Association stating that the Association did not wish to give evidence before the Committee and briefly setting out the views of the Association on the subject under consideration by the Committee.

The telegram was ordered printed in the record.

Members of the committee raised the question of the calling of further witnesses and after discussion it was the sense of the committee that no witnesses other than those already summoned, would be called or heard.

It being one o'clock the committee adjourned to re-convene at 4 p.m.

The committee re-convened at 4 o'clock with Mr. Kay in the chair.

The examination of the witness George McIvor was proceeded with and at 5.30 o'clock p.m., the witness was discharged and the committee adjourned till Monday, May 20, at 11 a.m.

A. A. FRASER,

*Clerk of Committee.*

One thing I would like to make very plain to this Committee, from our standpoint, is the value we place on the Canadian certificate. The Canadian certificate is the document on which our crop is sold. In 95 per cent of the cases the crop is sold before reaching the overseas market, and it is sold on the Canadian certificate. I have a contract in my bag here, which is the contract of the London Corn Trade Association. Under that contract full provision is made for the delivery of grain under a Canadian certificate, and one very definite part of that contract is the section which says the Canadian certificate is final. In other words, the point I am making is that without having that Canadian certificate we perhaps would be subject to claims after the shipment is received in the importing markets. The miller in grinding a shipment might not have the results which he expects, and he on his part might make a claim on us, claiming that his wheat was not up to some other shipment he has had, or something of that kind. Our reply is, "Here is the Canadian certificate, which we deliver to you and which is the final document in regard to our transaction." So that we cannot emphasize too much how important a part the Canadian certificate plays in the marketing of our wheat.

There is another point I would like to make clear, and it is this; if our cargoes were in each case sold directly to the millers, our problem would perhaps be more simple than it is at the present time. In many cases it is. For instance, we do a large business direct with some of the British millers, the largest of the British millers; we sell them a considerable percentage of our wheat. In that case it is a straight transaction between us and the consumer, the consumer in that case being the miller. We also do a large business with French millers, German millers, and so on. In most cases, the sale is made to the miller, and the wheat does not come back on the market. In other words he takes the wheat and grinds it, although he might in some instances resell the grain and purchase wheat from some other country in its place. But in many cases transactions are made between the seller on this side and a dealer on the other. In that case the cargo might change hands three or four, and I have heard of even six times, before it finally gets to the miller. Take the case of a rising market; the dealer will buy at first hand, and if the market keeps on advancing he sells probably at a discount on the first hand, and if the market again advances, the man he has sold to again resells, and so on. That is the way the process goes on. So that there is a certain difficulty in regard to the interchange of that certificate, but the fact that the certificate is final assists in the sale of the grain and the transferring of the certificate from one hand to another.

Now with regard to mixing and not mixing, I am personally of the opinion that if mixing were prohibited, the sample that we would send out would not be uniform. At times, you would have perhaps a very good sample of grain, at other times the sample would not be so good, and what I am afraid of is that the buyer on the other side would buy on the basis of the poorest sample he obtained. In other words, we will say he got a shipment of No. 4 wheat which was not quite up to the average. The chances are that when he again purchases a cargo of No. 4 wheat he would have in mind the original cargo he had purchased and perhaps ground into flour, and in fixing his price he would have in mind that original cargo, whereas the next cargo he received might be infinitely better. He perhaps might purchase a further cargo, and on receiving the third cargo would again be disappointed, having in mind perhaps the second cargo he received, when he made the purchase, and he would be disappointed with the quality, and that process would go on. I think one of the most important things that we should consider is the question of uniformity in our shipments. If we can send out a uniform sample of wheat, provided it is a good sample, the best that we have, I think the buyer on the other side is going to be satisfied. I would see no objections to raising the standard as high as possible out from our ter-

minals. You have already had evidence from the terminal men. You will probably have further evidence from Mr. Steele on what can be done in this regard. They are experts in this matter and they should know. But, as far as we are concerned as salesmen, we would be of the opinion that he should receive the best possible standard that he could get from the terminals. I believe this is more important than anything else in the marketing of our wheat. I believe that the buyer on the other side pays exactly for what he gets, having in mind other factors. For instance, we might have very strong competition from the Argentine. If he could buy their wheat cheaper, and if it suited him as well, he perhaps would not be so inclined to pay up for our wheat. But take, as an example, our No. 4 wheat this year, which is undoubtedly of good quality. The spreads on No. 4 wheat last Fall were fairly wide, even after the standard samples had been sent over to the buyer on the other side. But after he had obtained some of this grain and had ground the wheat and had got results from it, he was more inclined to pay up for this grade, with the result that we had a narrowing up of the spread between 3 Northern and No. 4, until today the spread is very narrow, and he is a good buyer of No. 4 at the narrow spread. That convinces us that he sees the merit in the No. 4 grade as compared to 3 Northern, and is prepared to pay up for it.

There is one feature that perhaps we should not overlook, which is that wheat to-day is a very competitive article, perhaps more so than at any time in the last ten years. The world's crops are getting larger, and Argentine is competing very strongly with us for the export markets. Our man in the Argentine reports that there is an attempt on the part of the Argentine people themselves to keep their standard up, to raise as good wheat as they can. And I think perhaps that the very utmost consideration should be given to the question of keeping our own standards as high as possible.

No doubt from the terminal men you have had considerable evidence as to the difficulties of marketing off-grades of wheat from the terminals, the difficulties of binning them separately, and all that sort of thing. I might say candidly that the quantities of off-grade wheat, in proportion to the total are not large; but I would be of the opinion myself that there would be real difficulties in marketing these off-grades if mixing was eliminated, particularly from the West coast. It would mean that you would have, probably, to send out sample shipments. Now that could be done, no doubt; but it is very doubtful as to the prices you would receive. One thing which we do know from experience is this, that it is a very dangerous thing to consign wheat to importing markets. If you get your shipment over there, no matter how good the quality is, you have transferred the control of the wheat from your own hands to that of the buyer, and they have a very useful habit, to themselves, of being able to bid down, as we call it, on your shipments, once they get over there.

You no doubt would have to consign these sample shipments which you sent forward.

I do not know if there is anything else; I have just gone into the thing briefly, because I realize you have had a tremendous amount of evidence; and I have just outlined it; but I will be very pleased to answer any questions, of course.

*By Mr. Cayley:*

Q. I came in late. What is your position?—A. I am General Sales Manager of the Canadian Wheat Pool.

*By Mr. Garland:*

Q. A previous witness before this Committee made a suggestion based upon the assumption that the Saskatchewan Pool, in particular, was interested in the abolition of the mixing of straight grades, at any rate, and that the ground

[Mr. George McIvor.]

taken by those in the Pool who favoured abolition was that a higher price would come back to the farmers as a whole, as the result of the abolition. And it was suggested by this witness that if the Saskatchewan Pool was sincere in this matter they could very readily experiment, by making a definite shipment of their own on an unmixed basis, and in effect turn their entire handlings for a year into the unmixed class, and so ascertain definitely whether their contentions in regard to a better price were valid or not. What do you think, Mr. McIvor, as a practical salesman, of the practicability of a suggestion of that kind?—A. Well, in the first place, there are certain difficulties, no doubt, in regard to the shipment of your grain from the head of the Lakes to the seaboard. While it is true that you could earmark a shipment at Fort William,—call it any name you like,—and no doubt send it through to the seaboard I.P., identity preserved, I would have grave doubts as to the practicability of doing it in a big way.

Many of you are familiar with the congested condition to-day at Montreal. You could no doubt realize the physical impossibility of preserving the identity of all of this grain, some of it in late steamers ready to be transferred into ocean bottoms, and some of it in the elevators, and the fitting in of all of those shipments would be an impossible achievement, in my opinion, at the present time.

Now, secondly, in regard to the question of shipping forward unmixed grain, you would have to market it, as I see it, in two ways. First of all, you could tell the buyer that this grain is unmixed. But the very fact that he would not have any definite idea as to what the value of the grain is, would perhaps make him hesitate about buying it.

*By Mr. Brown:*

Q. Excuse me, you are speaking now of the conditions which might prevail in case there were no legal prohibition of mixing?—A. Yes, on the point which Mr. Garland has raised. Secondly, you would have the difficulty of consigning it. We have found definitely that it is impossible to weigh the value between selected grain and grain which goes forward under the ordinary certificate, for the reasons which I outlined to you earlier. That is, when you send the grain over on consignment, you transfer the control from the seller to the buyer. That is most difficult.

I am not speaking of a surmise. I know that we as an organization to-day, unless it is absolutely impossible to do otherwise, do not consign any wheat unsold, because we realize that it is an exceedingly dangerous practice. Your loss might be one cent, it might be even ten cents, if you happened to get it over in a congested period when there was a lot of grain on hand.

It is true that on the Pacific coast we have to consign some of the grain. You have to charter bottoms a long way ahead, to get bottoms out there. We have to start long before we get the grain sold, to put it on the market.

Now one point is that on the Pacific coast you have much better protection than on the Atlantic. You can send your grain out for orders to the Azores. You have a charter party with the owner which permits you to send it to some twenty-five or thirty ports. If you do not have a demand in one port, you can get it in another. But on the Atlantic, where you have only a short shipment, it is an exceedingly dangerous practice.

Q. I think perhaps Mr. Garland limited his question too much, as he limited it to Saskatchewan. Put it this way, should the Pool as a whole desire to adopt the practice of shipping unmixed grain, would the same arguments apply?—A. Yes.

*By Mr. Garland:*

Q. My object in limiting it to the Saskatchewan Pool was that the witness stated that the Saskatchewan Pool, because of its terminal facilities, was in a better position, in fact in a perfect position, as he averred, to try out this experi-

[Mr. George McIvor.]

ment and prove its own contention. However, I think perhaps your statement has probably dispelled any such views which the Minister might have had. If mixing were prohibited here, would it possibly lead to mixing at Buffalo or other United States ports?—A. No, I do not think it would. Do you want me to enlarge on that?

Q. Yes, I think so.—A. I might say that from our observation, as far as our grain is concerned, we have never observed any mixing at the Atlantic seaboard or at Buffalo. The grain goes through for customs purposes I.P., identity preserved, from Buffalo to the Seaboard, and we have never observed any mixing to our knowledge.

*By Mr. Ross (Moose Jaw):*

Q. If mixing were abolished, or if we raised our standard of wheat, would it make any difference to your handling of grain if we only allowed the Canadian Certificate final to Canadian ports?—A. That is, you would entirely eliminate shipping through American ports?

Q. With the Canadian Certificate final. If we just followed our own Canadian Certificate through our own ports, and would not allow our Canadian Certificate final through American ports.—A. At the present time, I think that would be a mistake. In the winter time, of course, your Canadian eastern ports on the St. Lawrence are closed. You have available to you the ports of St. John and Halifax, which are very good ports; but that is not your real problem. Your real problem is the question of ocean bottoms. For one boat which you would have at the Canadian ports, you perhaps would have twenty at the American seaboard. And in the marketing of the wheat you have to transport the grain to where the buyer wants it; and during the winter season we figure on supplying the demand largely through the American ports plus shipments from Vancouver. It would be a very dangerous practice, and would undoubtedly react against the producer, to limit the Certificates in the way suggested.

Q. Mr. McIvor, you say that we have considerable competition now from the Argentine. In selling their wheat on fair, average quality, is that a standard of all their grain which comes in for that season?—A. Yes.

Q. With what grade of ours does that compare?—A. We always figured F.A.Q. Argentine wheat as comparable to our No. 3 Northern, but this year I might say—I will outline briefly what has happened to their wheat. When they first started to market their crop they started on a price comparable to our No. 4, but the wheat came out in great volume, as much as 10,500,000 bushels in a week, and a great deal of that was unsold, and when the wheat was offered freely—we know, as a matter of fact, of one car which was sold at  $2\frac{1}{2}$  cents under our No. 5 price—but whether it was poor marketing or whether our No. 5 is comparable to their wheat this year, I am not certain, but I believe it was more the question of too much wheat being offered for the market. The impression we have from the millers on the other side is that this year their wheat is a split between No. 3 Northern and No. 4.

Q. In connection with your selling; since the central selling organization was formed you have more or less started a new system of selling wheat in Europe?—A. Yes.

Q. Do you think that on account of starting this new system some of the old commission firms and brokers in the old country are more or less bucking you in trying to sell the wheat of other countries in competition with yours?—A. I do not believe that, for this reason, that we have our own agents there. In England we have our own office which works largely directly with the millers. In Paris we have our own office and on the Continent we have in every city of size our own agent who is working for us, and is paid a commission on the volume of business he does, and it is very important to him—and we feel satisfied—that they are working very hard to sell our wheat.

[Mr. George McIvor.]

Q. You have local agents there through which you deal?—A. Yes. We have our own offices in London and Paris; we have four agents in Germany, four in Scandinavia, one in Spain, one in Portugal and two in Italy, who work entirely with our own office and cover every important centre, working directly with the mills.

Q. Are these men who were in business there before working on a commission, or are they your men paid a salary?—A. I might say that on account of the volume we handle we considered it advisable to make our price the same to every one on the same day. I want to make myself clear because that statement does not cover it. A man in Glasgow on account of the freight being 3 pence higher than London would pay more than the man in London, but as far as the basic price is concerned it is the same to every one on the same day, whether he lives in Tokyo or Hamburg. That is the basic price. The different charges are taken into account. So far as our agents are concerned we make a net price to them. They work on a margin of profit which naturally has to be small, and it usually runs from  $1\frac{1}{2}$  pence to 3 pence a quarter, which would be from one quarter to half a cent a bushel.

Q. You said in your evidence a moment ago that the buyer in the Old Country pays for what he gets. If our outgoing standard from our terminals were raised too close to the average of the grades would that have the effect of raising the price for that grade in the Old Country or in the European markets, and would that be reflected back to the producer in this country?—A. I would like to answer that question in rather a broad way because I can only express an opinion. We do not know until it is tried. The position of the pool farmer to-day is this, that the mixing profits are turned back. Whether he would be better off as a pool farmer by not having the mixing profits and raising the standard is a very big question, but following along that argument I did put it that the buyer on the other side pays exactly for what he gets, and I would be of the opinion—I can only express it as an opinion, because we do not know it until it is tried out—that a pool farmer perhaps would not have the profit that he has in mixing but if the standard were raised I believe he would get a better price.

*By Mr. Vallance:*

Q. Mr. McIvor, Mr. Garland pointed out to you that we had a witness before this Committee on a previous occasion who had pointed out to the Committee the position the Saskatchewan pool found themselves in, whereby they could make possibly trial shipments of unmixed cargoes, and you replied to that. If we were able to abolish mixing by statute, would you still give the same reply, if all the wheat was moving in an unmixed condition, rather than the portion sent forward by the Saskatchewan pool?—A. No, I would not give the same reply, Mr. Vallance. I think that really opens up another question. I think if the mixing were abolished the problem of getting the wheat forward to the seaboard would probably not be any greater than it is to-day, except in so far as your off grades are concerned. As I see it, if you abolish mixing you would ship out 1 Northern from Fort William the same as you do to-day.

*By Mr. Brown:*

Q. Your answer to that was lack of uniformity.—A. I think that is the main point, so far as I can see, as a salesman.

*By Mr. Vallance:*

Q. If the out-turn standard were set, I think at least those of us who are talking in favour of total prohibition—

Hon. Mr. MOTHERWELL: Of mixing.

[Mr. George Melvor.]

*By Mr. Vallance:*

Q. Total abolition of mixing—when we prohibit mixing we also want to make an out-turn standard because we see evils which would creep in if we did not do so.—A. I think you had better obtain whatever information you can with regard to that from the terminal men and the inspectors. I cannot speak with authority on that. It is entirely as to the feasibility of doing it.

*By Mr. Bancroft:*

Q. In pointing out the difficulties in making a shipment of unmixed grain through the St. Lawrence route, would it be a greater difficulty to keep separate two shipments, one labelled 3 Northern and the other labelled 3 Northern Unmixed, than it would to keep separate two shipments, one labelled 3 Northern and the other 3 Tough?—A. No. The volume would be perhaps ten to one, ten of 3 Northern to one of 3 Northern Tough, and if you had the crop provided you would probably have five in each.

Q. Would that increase the difficulty?—A. I think it would.

*By Mr. Donnelly:*

Q. I understood you to say that the English pay for what they get. In other words, when we set our standards in the Fall of the year and send our standard samples over there, they pay for the wheat they are supposed to get from the samples under those standards. Is that right?—A. As a starter.

Q. And as the crop goes on he finds out what he is getting, and that he is getting better wheat, and he pays a better price?—A. That is my understanding.

Q. The English buyer pays for what he gets under those standards?—A. Yes.

Q. Now, if we set a standard of 75-25 we would be raising our standard?—A. Yes.

Q. And you think we would be getting a better price in the world's markets for it?—A. As an opinion, I believe you would, yes.

Q. You believe that in that case our shipments would be fairly uniform?—A. They should be.

Q. Supposing we did away with mixing entirely and we put in also a proviso that it must be 75-25 of an average going through our inspection point, would it not also be uniform?—A. Provided it is practicable.

Q. We will take a standard of 75-25 and take all the grains going in with no mixing. In that case our samples would be uniform under the 75-25 and under the anti-mixing?—A. If you insisted on 75-25, whether you abolished mixing or not, it would have to be uniform.

Q. We believe we would have to have a standard if you did away with mixing because we can see that it would be impossible to segregate the grain, the highest in one elevator and the lowest in another, and you would have one standard coming out of one elevator and another standard out of another.—A. Your point is, if they abolish mixing?

Q. Yes.—A. I think that is perfectly true. Take for instance the Manitoba wheat pool obtaining their wheat from Manitoba which has entirely different characteristics from that of Saskatchewan. When you put that wheat out from the terminal you will have an entirely different wheat from that going out of the Saskatchewan terminal.

Q. You have the same thing from the Pacific coast?—A. No, your quantity of Saskatchewan shipments in relation to the whole is so small that you do not have the same thing.

Q. And you have a different variety of wheat going from the Pacific coast than from the Atlantic?—A. That is perfectly true. Of course, that is segregated in the minds of the buyers.

Q. You say that probably the pool farmer would not benefit very much, or not as much as the outside farmer, with which I agree, but on the other hand, if mixing were done away with do you not think the farmer would get more for his wheat in the increase in price of the different grades?—A. Personally, I think if mixing were done away with your greatest problem would be the lack of uniformity in your shipments.

Q. I am putting the 75-25 and that will be a standard which will eliminate the possibilities of lack of uniformity. You would have it just the same if you put a standard of 75-25 as if you do away with mixing and put the 75-25 as well? It is both. We have before the Committee two suggestions, one of the 75-25 and the other doing away with mixing, and having the standard of 75-25, or a higher standard as well. Those things are combined in doing away with the mixing.—A. Of course that is a matter for your Committee to decide, but as I said before you would have to seriously consider the practicability of doing away with mixing and also raising the standard. That is a matter for terminal men and inspectors to answer.

Q. I think we have had evidence to the effect that if the mixing were done away with, they could keep up to the 75-25 and there would be no difficulty in that respect. Now to refer again to this question: referring to the profits made from mixing by the farmer: every year a lot of wheat not handled by the pool which is pool wheat is handled by line elevators from which they do not get that profit.—A. No, the profit naturally accrues to the company handling the wheat.

Q. Yes. Well, there is a lot of profit obtained by the line companies that does not go back to the pool farmer. For example, if I take wheat into the Alberta Pacific and put it through the Alberta Pacific elevator, they take it down and mix it and they get the profit out of the mixing?—A. Absolutely.

Q. And it does not go back to the farmer?—A. No, it does not. I thought I made myself clear on that.

Q. You do not get all the profit from that pool wheat?—A. Oh, no.

Q. So that there is a lot of profit to men from the mixing, that the pool gets for mixing and goes to the men who ship their wheat through line elevators?—A. Yes, sir.

Q. And if mixing were done away with, then they would all share in it equally in the higher price?—A. Any opinion that I have had expressed to me by men that should know, for instance, our terminal men, is if you raise the standard to 75-25, there would not be a great deal of mixing.

Q. I mean to say this, that the increased price would come from a farmer and would be reflected back equally to all farmers through the increased price?—A. Naturally, yes.

Q. Which would probably be as great as he would get from mixing to-day, or probably more?—A. That is entirely a matter of opinion. You have not tried it, and you do not know and you cannot tell until you have tried it. I would be of the opinion, as I said before, that the man on the other side pays for what he gets. I have that in mind very strongly.

Q. With regard to the off grades, Mr. McIvor, how much off grade would you figure there is of the rejected, that is, leaving out the toughs and damps?—A. The percentage is very small. I can give it to you if you want it.

Q. Yes, we would like to have that.—A. Our quantities of rejects and smutties, after leaving out the toughs and damps were less than a million bushels, that is, that we have handled this year.

Q. What percentage would that be of the whole?—A. That would be less than one per cent.

Q. The question arises in the minds of the Committee as to whether we should condemn all our good wheats for this million bushels or for this one

[Mr. George McIvor.]

per cent, finding a market for this one per cent of rejects, which at the present time is dribbled into our straight grades?—A. Of course, it might be a very serious problem for the man who raised the million bushels.

Q. Yes, it may be, but do you not think it would have the effect of getting them away from raising that kind of stuff?—A. Sometimes he cannot help it. I do not think he wants to raise it, but climate conditions, and one thing and another have their effect.

Q. A lot of it is due to carelessness, is it not?—A. You will have to ask a practical farmer that.

Q. Smut is due to carelessness, working on rye ground and barley ground is due to carelessness, just as much as the other is, and the question before the Committee is whether we should condemn the man who is raising the good wheat for the sake of the careless farmer?—A. I do not believe you will do it if you raise the standard. That is my opinion. As I see it, you can always go all the way if you find it practical to do so. If you raise the standard to 75-25 you will take a real step.

Q. In the right direction?—A. In the right direction, yes.

*By Mr. Coote:*

Q. There is a question that arises out of an answer you gave to Dr. Donnelly, that if 75-25 were the standard it would practically stop mixing. Now, it seems to me that that statement is not quite correct, that we are still going to get rid of off grades through mixing?—A. You are quite correct in that. I meant mixing in a broad way. I did not intend that it would practically eliminate mixing, because we do know that there would not be some of the off grades mixed even if the standard was raised, but naturally there would not be the same quantity that there is to-day.

Q. Well, would not the result be this, that the off grades would possibly be mixed in but they would have to go into a lower grade than they are now getting into?—A. I imagine that the terminal men would be very, very careful under that standard. That is a fairly high standard from all that I can find out from terminal men. It is a pretty good mark to shoot at.

*By Mr. Brown:*

Q. Let us come back to the question, Mr. McIvor, of an outturn standard. Let us suppose, for the sake of argument—and I am a Manitoba man—that the Manitoba wheat is not as good as the Saskatchewan. Let us suppose that the Manitoba wheat, which is earlier than the Saskatchewan wheat, goes into the terminal elevators, and that it does not come up to whatever outturn standard is set. Could the Government refuse to give a certificate for that wheat that had gone into that elevator absolutely unmixed?—A. You will have to ask the Chief Inspector that.

Q. I just asked that question because I want to show you what seems to me to be an absolutely absurd proposition to talk about unmixed grain and an outturn standard, because if you put the grain in unmixed you have got to ship it out as it is. It seems to me that that is not a matter of opinion; it is the soundest kind of logic.—A. I think you are quite correct in that.

Q. Well, if that is correct, if we are clear on that point, then let us cease to talk about the importance of having unmixed grain and an outturn standard at one and the same time. Then, it all comes down to the question of the outturn standard, shall that be high or low? Now, in the judgment of the pools, they think that that 75-25 standard would be a standard that we could attain; would you say that that was higher than the present standard going out?—A. Yes, sir.

Q. We have to consider it then from the other angle. The producer will find it just that much higher to come up to that standard, will he not?—A. Well, no, I would not think that that should enter into it.

Q. Well, is it not reasonable to suppose that the higher we set the outturn standard, or the higher we set any standard—either incoming or outgoing—the more difficult it will be for the producer to come up to that standard?—A. Well, I do not think you should consider that. I think what you have got to consider is, what standard you can come up to under present conditions.

Q. I am quite satisfied that the higher we raise the standard the more difficult it will be to come up to it for the outgoing or the inward inspection. My own personal view would be that the standard is not a matter of so much importance so much as making sure that we always kept to it. In your opinion, the desirable thing on the British market is that we should maintain our reputation for honest dealing?—A. Absolutely.

Q. The question of standard is not so important as seeing that we always give them what our standard is?—A. Well, as I see the situation—I am speaking entirely from a salesman's standpoint—we should give them the best we can.

Q. We should give them the best we can, so that they will be assured of getting what we promise.

Hon. Mr. MALCOLM: Maintain uniformity.

WITNESS: Uniformity is the strongest thing, as I see it.

*By Mr. Millar:*

Q. You have pictured the evil effects, and your conclusion seems to be based on the opinion that the outgoing cargoes, if mixing were stopped from the public elevators—I will say public elevators now—would not be as uniform as the private elevators. We have had some evidence, not only this year, but in other years, from the Chief Inspector that would rather give a different impression, that they are quite uniform. We have had one good practical demonstration, I think. At the time Vancouver started to handle a considerable quantity of grain there were no mixing elevators there, and cargoes from Vancouver commanded a premium over eastern shipments for a considerable time of five cents a bushel?—A. Mr. Millar, there has been a great deal of talk about the premiums that were received for higher quality wheat. I presume you refer to the year 1923?

Q. Yes?—A. Well, I was with the firm of Richardson that year, and we handled some twenty million bushels of wheat out of Vancouver. It is true that the wheat, in so far as the producer is concerned, did command a premium in many instances of as high as five cents, but actually, from our observation, the wheat sold on the world's market at a price very comparable to that of the Atlantic's, probably a slight fraction over. The premium was made up in the differences saved in the cost of shipping, and the very excellent demand that you had from the Orient, who were prepared to pay a premium over Fort William to get wheat out of Vancouver.

Q. Well, Mr. McIvor, just at that time I sat in at a meeting of the Board of Grain Commissioners in Vancouver, and the Hon. Mr. Stevens and several shippers stated positively there, that the grain not only brought more to the producer but the buyers paid that premium?—A. They paid a premium over the Atlantic, but just a fraction.

Q. They put it at five cents?—A. That is not correct, Mr. Millar.

Q. That is from positive statements before the Commission.—A. I cannot help that.

[Mr. George McIvor.]

*By Mr. Garland (Bow River):*

Q. Mr. McIvor, you have had a good deal of experience in Western Canada. Have you noticed that the earlier shipments, taking a single grade, No. 3 Northern, for instance, were of a higher quality than the later shipments?—A. Do you mean the earlier years, Mr. Garland?

Q. In any single given year, have you noticed that the first shipments that went forward of that year's crop were of higher quality of the grade than subsequently?—A. I did not observe that, Mr. Garland. It may be a fact.

Q. I ask you the question, because the point has been raised on innumerable occasions, that even with the 75-25 outturn standard we would still have difficulty in maintaining uniformity, because the earlier part of the crop usually is higher in quality, within each grade, than the later deliveries, and so any man taking into an elevator in the early part of the season, the general run of the crop would maintain the 75-25 outgo, not only that, but would probably run 85 and perhaps 90 percent of the average passing Winnipeg, but that later on in the season, owing to the lower qualities coming forward, the later threshed wheat would be unable to make that standard?—A. I think you have had evidence from Mr. Bennett on that. He has been responsible for the pool terminals on the coast.

*By Mr. Vallance:*

Q. You would hardly conclude, Mr. McIvor, after listening to Mr. Brown's hypothetical case, and admitting for argument's sake that Manitoba was lower, and that it comes in first, and then hearing Mr. Garland say that the earlier wheat coming in—

Mr. GARLAND: No, he did not say that.

Mr. VALLANCE: You were supposing that, that we could not arrive at any conclusion from the evidence given, and as for Mr. Brown's hypothetical case, admitting that Manitoba is lower, and considering that Manitoba comes in earlier, and considering that Manitoba perhaps was less than 20 percent of the total crop, why should the 80 percent in other portions of the wheat growing country be submitted to Manitoba's situation?

Mr. BROWN: That again is simply an unfair misuse of my argument.

Hon. Mr. FORKE: In speaking about the wheat that is marketed early, in my experience in marketing my own wheat I have often thought that the wheat that was marketed in the end of September would grade much better than the same wheat marketed in the beginning of November. I think I am quite sure of that, because I have threshed the wheat by the carload, and threshed the same wheat into the granary, and then when it was taken out of the granary and shipped, it went a grade lower than that which was graded earlier in the season. I do not know whether that is correct or not, but I have always felt that that was the case.

WITNESS: I see Mr. Fraser is here. I could not attempt to answer that question.

*By Mr. Ross (Moose Jaw):*

Q. In speaking of your experience with Vancouver shipments, is there a difference in your cost on a shipment from Vancouver in storage? What I mean by that is, you have a longer haul. Do you get an advantage on storage while on the Pacific ocean over Atlantic shipments; it does not cost you anything to store when it is in the ship. What does that amount to?—A. We do not usually consider that, Mr. Ross, because it is offset by the interest. I think the one offsets the other.

[Mr. George McIvor.]

*By Mr. Garland (Bow River):*

Q. I would like to ask one question; in your opinion, would the continuation of partial mixing with the 75-25 standard bring more to the producer than you could get by the elimination of mixing?—A. That is a very difficult question to answer.

Q. Well, perhaps I had better preface that, Mr. Chairman, in fairness to the witness. The witness started off to-day by stating the question himself. In considering the problem of mixing, you have to ask yourself the question, can you get more money for the farmer by mixing than by not mixing, so I am putting it up to you?—A. I would say, as an opinion entirely, that if your standard was raised and maintained and the crop kept on a uniform basis, he would.

*By Mr. Coote:*

Q. You mean by that I presume that you would get more money for the total crop?—A. That is just an opinion, Mr. Coote. It has never been demonstrated, and it puts me in a difficult position to answer your question.

*By Mr. Donnelly:*

Q. That is, as between the pool farmer and the non-pool farmer, the non-pool farmer would benefit more, would he not, than the pool farmer?—A. In what way?

Q. The non-pool farmer gets nothing from mixing?—A. No.

Q. If the price were raised, he would get more benefit than the pool farmer?—A. Comparatively he would.

Hon. Mr. MOTHERWELL: Mr. Chairman, the question of uniformity is very important, provided of course that it is not uniformly low.

*By Hon. Mr. Motherwell:*

Q. Do you think there is much better uniformity secured under mixing, as we have it now, than under a similar standard for the terminals, as the farmers have to comply with on passing the initial inspection point? For instance, one standard for the terminals and the same standard for the farmer; would not that get just as much uniformity as in mixing?—A. Well, I do not believe so, Mr. Motherwell. I think that it is perhaps just as easy to mix up as it is to mix down.

Q. Provided you can do it?—A. Yes.

Q. Provided it is done?—A. Yes.

Q. Do you think then we are getting more uniformity now than before mixing started?—A. Well, Mr. Motherwell, conditions are entirely different to-day. To-day you have a great big country producing all kinds and varieties of wheat.

Q. Have you had any complaints from buyers regarding the lack of uniformity?—A. No general complaints. We do get an odd complaint from a buyer who says that he gets one shipment which is not as good as another, and that sort of thing, but in a general way we have not, Mr. Motherwell.

Q. Are you mixing the new wheat with the old wheat, the 1927 with the 1928 crop?—A. We took the position last fall; we had a small quantity of old wheat on hand, largely at the seaboard. Some shippers were prepared to guarantee the new wheat. We took the position entirely that we would sell a grade. In a very small number of cases they did get old wheat, naturally, because the old wheat was there, but we made our position very clear before effecting a sale; in other words, we gave no guarantee of the new wheat going out. We sold on certificate.

Q. No guarantee?—A. No.

[Mr. George McIvor.]

Q. They got such a sickener on the 1927 crop that they are a little hard on the 1928 crop, which is so very much better?—A. Unquestionably that is the case, Mr. Motherwell.

Q. Do you think it is advisable to spoil two crops by mixing the carry-over? Do you not think it would be better to give a guarantee certificate that one is the new crop and the other is the old crop?—A. I would say it is a matter of business expediency. We as an organization made our position very clear to anyone who was buying our wheat.

Q. That is all right, but there are a lot of people who have had dealings with the wheat pool and are anxious to get new wheat, and who want a certificate guaranteeing that the wheat is new wheat?—A. I will answer that question this way, that I think our customers are satisfied with us.

Q. I have a few complaints, not many, that they would like to get a guarantee from you that it was new wheat?—A. We cannot guarantee it.

*By Mr. Garland (Bow River):*

Q. Perhaps I can clear it up. The complaints you received from buyers were not from buyers of pool wheat only, but general complaints?

Hon. Mr. MOTHERWELL: No. I have one this week expressing general satisfaction with this year's crop.

Mr. GARLAND (*Bow River*): You were not referring to pool wheat.

Hon. Mr. MOTHERWELL: His only difficulty with the crop was that they were not able to get a guarantee of the new wheat. I will show my friend, if he wants to see it, the correspondence.

The WITNESS: I think I can tell you right now where the complaint is from.

*By Hon. Mr. Motherwell:*

Q. It was not an important complaint. The letter as a whole was complimentary. There was a good deal of complaint when the crop of 1928 was coming in, and everybody was trying to forget 1927, and looking forward to 1928; and there was disappointment with the carry-over.—A. I wonder if they will have complaints this year, if we sell this year's crop with the other one.

*By Mr. Coote:*

Q. I would like to clear this point up; when the Pool sold wheat, I understood you to say that they sold on certificates final?—A. Absolutely.

Q. So that if there is a complaint because of the wheat which is not pool wheat, I would like to know whether the pool is pretending to preserve the identity of that wheat they are handling, or whether they sell him a certificate covering so many bushels of No. 4 wheat. The pool is not attempting to give that buyer their own particular wheat; they are only giving wheat on the Canadian certificate.—A. I thought I made myself clear on that.

Hon. Mr. MOTHERWELL: The best way is to bring the letter this afternoon.

WITNESS: It may not have been our wheat. As a matter of fact I have an idea it was not. Our position is this; we have a certificate, we sell that certificate, and it is final. If anything happens of a nature over which we have no control, if the wheat suffered from being in too close proximity to the engines of the vessel, or something of that kind, we would undertake to satisfy the buyer in that regard, and probably make a claim against the ship. We do not absolutely say that that certificate is final in a case of that kind. We take the position—our buyer knows the position we take—"Here is the certificate, and here is the shipment, that is what we sold."

*By Mr. Brown:*

Q. Would you deem it good policy, in case this year's crop is better than last year's crop, to sell this year's crop and hold the other on your hands?—A. We do not think it good policy.

*By Hon. Mr. Motherwell:*

Q. I only gave this particular shipment, this particular complaint as an illustration. Is it practicable to have on certificate one crop year and the beginning of another until the carry-over is exhausted? Should it not indicate that it is new wheat?—A. You are opening up a very difficult problem. You have a wheat at the seaboard which has been bought as No. 3 Northern, or whatever it happens to be; the point I am making is that one year with another the buyer in some cases would get an advantage.

Q. It would about even up, it would about balance one year with another?—A. It would balance. I think I know the complaint you have. I think I can give the name of the steamer.

Q. It is an illustration of the practice. I was wondering if it could be corrected. You spoke of the percentage of off-grades being less than one per cent of the total handled by your company this year; was much of that sent out on sample?—A. I was speaking entirely of the rejected and smutties. We did make several sample shipments this year, but as a general thing we do not.

Q. I notice you try to avoid it?—A. Yes.

Q. The assumption is that most of it will go out not on sample?—A. Yes.

Q. You do not like to consign it, not on sample; most of it will go out not on sample?—A. Yes.

Q. The off-grades in a year like the year previous would be very much larger than in 1928.—A. Yes. The question I was asked, Mr. Motherwell, had particular reference to the rejecteds and smutties. Of course we consign tough wheat and damp wheat as being off-grade.

Q. The off-grades outside of damps and toughs, would sometimes assume a tremendous volume?—A. They do.

Q. Up to one-half of the crop?—A. Yes.

Q. In figuring it out, we have the official off-grades got out by the statistician of the Board of Grain Commissioners, and as near as I can figure it out it is about six per cent, outside of damp and tough, for the year 1926. This year, I presume, your experience would be that it was less than one per cent?—A. One point I would like to make clear is that in many instances the off-grades are held back in the country and come on later.

Q. Possibly that might make it a little higher?—A. Yes.

Q. We have been told at various times the approximate number of grades; we have some who tell us 100, some 500, and some 1,700. I do not think any estimate has been made higher than 1,700, but in this official document, got out by the statistician of the Board of Grain Commissioners it runs up to about 500 or 550?—A. Yes.

Q. Now, over 400 of those disappear?—A. Yes.

Q. I suppose those that disappear are presumably in the large majority of cases worked into the straight grades on the belt?—A. Yes.

Q. Here is a list of some of them, and there are forty-seven of this kind of heated grades. I understand that the heated does not mean as bad as condemned but just started heating. It is not as bad as condemned or fire-burned, it has not got to the stage of fire-burned.—A. Yes.

[Mr. George McIvor.]

Q. It is capable of being worked off in the straight grades without too much harm, and possibly with some conditioning in the way of washing. Now here are some of them:—

No grade tough No. 2 Northern;  
No grade tough No. 2 Northern heated.

I will leave out the No grades.

Tough No. 4 heated;  
Tough No. 5 heated.

and then it goes on on the next page:

No. grade damp rejected (rejected 3 Northern sprouted mixed and heated. That has also disappeared. Then:

No grade tough rejected 3 Northern sprouted rejected mix heated.  
Tough smutty rejected 3 Northern sprouted and heating.

There is a difference between heated and heating. You find this on page 56, near the top, if you are following it:

Tough Smutty Rejected No. 5 Sprouted. There are whole pages here of that nature, but I will not trouble you with them. They run over pages, and add up to over 415, but call them 400 for even numbers; and there are enough grades remaining to ship out as such. I was wondering about this. I may assume that most of those four hundred grades which disappear go back into straight grades. Why do not they put them all in? Is that because what they do put in is as much as the grades will stand? There are one hundred and thirty-two grades represented here as going out as such. For instance, Tough Smutty Rejected Sprouted, if only a small quantity of that goes out, that goes out as samples usually, does it not?—A. Yes.

Q. Evidently there is a market for it?—A. Oh, yes, there is a market for it.

Q. But the great body of that million bushels that you spoke of which you handle goes back into the straight grades. Now, assuming it will not be as bad as that this year, because you will not have so much heated nor so much sprouted, but the smutty and other occasions for rejects will be there. How can you work that back without to some extent reducing the quality of it?—A. That million bushels which I have referred to is grain that has been delivered to the Central Selling Agency.

Q. How much would the total be?—A. And to the terminals, and naturally will not go back through the mixing process. That million bushels has been delivered to us for sale as the grade. I want to make it clear, in reply to the question I was asked.

Q. Let me ask you this, what was the approximate total, of which there was a million bushels of off-grades?—A. I have not the figures here. The total of which that million bushels was a part was in the neighbourhood of two hundred millions. That is grain that has been delivered to the Central Selling Agency in the form of a warehouse receipt, and will be loaded out and shipped as such. There may be considerable off-grade wheat which we have not received, which will probably come out in the straight grades.

Q. Then we are to understand that you are not using any of this million bushels of off-grades to work into the straight grades this year?—A. No.

Q. Were they last year? You see there are four hundred grades which disappear, and they apply to all the dealers, I do not know whom.—A. Of course those figures which you are reading are the receipts at Fort William. The figures which I am giving you are the shipments out of Fort William or which will go out of Fort William.

*By Mr. Vallance:*

Q. We have the wrong man to answer the Minister's question.—A. Yes. The terminal man should answer that.

*By Mr. Motherwell:*

Q. These off-grades are good enough, in good enough shape, to have a market for themselves?—A. They are not easy to sell, Mr. Motherwell,—I want to make that clear,—but they can be sold.

Q. At a price?—A. At a price.

Q. When they get to know them, I presume they will get fairly well up to their value?—A. Well, it is like a leap in the dark for the buyer to buy that, because he may not be certain as to what he is going to get.

Q. We had some witnesses testify one way, and some the other way, that smutty grain was put into straight grade without washing or brushing or scouring in any way. That is a very undesirable practice if you are to maintain your quality, do you not think?—A. Well, I cannot understand how it could be done, particularly if the grain is very badly smutty. But I do not know, Mr. Motherwell; the terminal man is the man who does the mixing, and he can talk about what he puts in there.

Q. We recognize that there are arguments for mixing as well as against mixing, but what we are trying to get at is how to balance them up. As Dr. Donnelly has pointed out, this year we can quite understand that the off-grades might very well sell on their own merits, or demerits, as the case may be, and not be mixed in; but in a year like two or three previous years, where there would be a larger number of them and more objectionable defects in the wheat, they would prejudicially affect the straight grades more, and the less saleable on their own merits, if sold alone. Would not that be the case?—A. Of course I am of the opinion that you might have a great deal of difficulty in marketing not this present crop but the previous crop, without mixing.

Q. Do you think you can keep up the straight grades by working these four hundred grades of all descriptions given here, into them,—do you think you can work those in?—A. I believe if you raise the standard, Mr. Motherwell, a lot of that stuff will be kept out.

Q. As such?—A. Yes.

Q. Could you detect the mixing of white spring wheat with amber durum, if you did that?—A. I believe I could, and I am certain that Mr. Fraser could.

Q. There is a good deal of mixing which you cannot detect with the eye?—A. I think if you put White Springs in with Amber Durums it would be a simple thing to detect it.

Q. Anykay, these four hundred grades disappear, and there are millions of bushels of straight grades which are raised from one grade into another, as shown by these statistics; and the problem which is bothering some of us, including myself, is how you can put these bodies of wheat into the high quality without reducing the high quality. It surely raises the low, but how can it raise the low without pulling down the high, is my dilemma.—A. As far as we are concerned, as a sales agency, naturally we are interested in selling the very best quality of grain we can obtain. At the same time, in giving evidence here, we feel that we should state our opinion as it is; and I think I can see some serious difficulties on the side of eliminating mixing.

Q. Did you sell the most of the off-grades of the 1927 crop by themselves?—A. We sold considerable by themselves, Mr. Motherwell. Now the big problem in 1927, of course, was your Tough wheat.

Q. I was not referring to the Tough, but just to the other?—A. We find in the Canadian mills a very ready market for the Tough wheat. But I will

say this, that we have never had any really serious difficulty in selling wheat which we have had to sell; but the off-grades are more difficult to sell than the other, because the buyer does not understand how they are made up.

Q. I presume that over-dried stuff in 1926-27, was your real difficulty?—A. Well, we did not care for that, I can tell you.

*By Mr. Ross:*

Q. Mr. McIvor, when Mr. Motherwell started his questioning, he brought out the point that there was some difference between the 1927 and the 1928 crops. If the buyers of wheat on the other side were somewhat perturbed about which crop they would get, there must have been considerable difference between the grades of wheat in 1927 and in 1928. What was your experience in that regard, in your selling?—A. You mean between the qualities?

Q. Yes, the quality of the grades.—A. Our experience was that the man was more ready to buy the 1928-1929 crop than he was to buy the 1927-1928 crop.

Q. How much more ready?

*By Mr. Garland:*

Q. You can put it in this way: if you offered a buyer a sample of the 1927-28 No. 4, and a sample of the 1928-29 No. 4, how much more readily would he buy the 1928-29?—A. You want the difference in money?

*By Mr. Ross:*

Q. Yes, that is what I want?—A. Well, that is a pretty hard question to answer, because we did not have a great deal of the previous crop to sell at the time the new crop was marketed. But actually I think the value of the crop was reflected in the spread between July and October wheat.

Q. You consider then that there was a considerable difference?—A. About three cents.

Q. There was a considerable difference between the quality of the 1927-28 grades No. 1, 2, 3, Northern, and the 1928-29 grades No. 1, 2, 3, Northern?—A. That was our observation, yes.

Q. Do you not think that is liable to give our wheat more or less of a black eye on the European market, to give the standard of one year less than the standard of any other year?

*By Hon. Mr. Malcolm:*

Q. It is not the difference in the standards; it is the quality of the grain?—A. It is the quality of the grain one year and another. But how are you going to avoid that? In most instances this wheat had left Fort William and Port Arthur and was at the seaboard. In so far as the producer was concerned, he was finished with it,—as far as the non-Pool producer was concerned, in any event, and I believe as far as the Pool producer was concerned our final payment had gone out before some of this wheat was sold. We only had a remnant left; and when it came to the end of the crop year we did not have a very big proportion on hand, as compared to that sold.

Some jobbers sold new crop wheat and, I think, obtained a premium on new crop wheat. We sold the wheat on the Certificate, as we have always done and always will do.

If such a thing should happen this year, that the next year's crop is of a lower quality, which might be, possibly due to climatic conditions, and so on, we would adopt the same attitude that we have adopted today. That is, we would sell it as wheat, as in the Certificate.

[Mr. George McIvor.]

*By Mr. Ross:*

Q. But you would admit that the European buyer was willing to pay about three cents more for 1928 than he was for the 1927 crop. Now bearing in mind that both of these wheats are very close to the standard of the grade, that is the minimum of the grade, then with a difference, as a general rule, of only three cents per bushel between No. 1 and No. 2 Northern, it would almost look as if the 1927 No. 1 Northern would not make the grade of No. 1 Northern in 1928, but of No. 2 Northern. Therefore there is practically the difference there of a grade between the value of the wheat, in the 1927 No. 1, and the value of the wheat in the 1928 No. 1. Surely, when setting our standard our Inspection Department must take into consideration the value of that grade?—A. There is one point I wanted to make clear, before we go on. Mr. Malcolm asks me as to what the difference was between the July and October, and I answered approximately three cents. But perhaps I did not make my answer as full as I should. I believe part of it was perhaps evidenced in the quality of the wheat. But also there would be a carrying charge between the July and the October. Now I doubt very much as to whether three cents is the correct answer; I do not think it is; but I will put it in this way, and I would not like to say any more on that, because it is hard to prove these things. I think the buyer in October, preferred to get the new crop wheat rather than the old crop wheat. In fact, I know he did, and in some instances he would be willing to pay a slight premium for the new crop wheat. Now, in so far as our organization is concerned, I want to make this clear, that we did not sell either new or old crop wheat. We sold the Certificate. Our wheat was mostly cleaned up, so that the amount of old crop wheat that we delivered on our sales, was very, very small. We did have, I think, one question from a buyer, which Mr. Motherwell spoke of, in which he received old crop wheat instead of new crop wheat. We did not sell new crop wheat, we sold him wheat. We sold him the grade of the wheat. I want to make clear that we did not put anything over on the buyer in regard to the sale of that wheat. I want to make that very clear.

Q. Suppose you had a considerable amount of 1927 wheat left in store in this country more than what had gone forward to the buyers in the Old Country on our certificate, it would have held down the price of wheat until such time as that disappeared from the markets?—A. I made it clear that there may have been some shippers who sold new crop wheat, but the reason we did not say that was because we were not sure that we could guarantee new crop wheat, and we were not going to sell something we could not deliver. Your point might be well taken there, but as I said before over a period of years the thing should work either way. If it works one way one year it will work the other way the next year, and that is something you cannot avoid. There is no way of getting around a problem of that kind.

Q. You could hold your standards closer?—A. That does not affect it; it is the value and the characteristics of the wheat from one year to another.

*By Mr. Coote:*

Q. So long as the wheat is graded on appearance, would not it follow from year to year?—A. Yes.

*By Mr. Millar:*

Q. In regard to the price of off-grade wheat?—A. It has been assumed that off-grade wheat brings an enhanced price because of the mixing. Is there any way of demonstrating that to get beyond speculation, considering the miserably low price the farmer is getting for his off grades?—A. Of course the question of selling Five or Six and Feed wheat is entirely a question of demand for these particular grades. Perhaps in your section of the country bran sold for more than feed wheat, but we raised a lot of feed wheat and our markets for that grade

[Mr. George McIvor.]

were limited. We had a very good market in Japan, and a very good market in Denmark. Now, if you had a year in which you had a limited quantity of Five and Six and Feed wheat, you would probably find a good market for those grades, because these millers would be willing to buy them, particularly the Five and Six for their Oriental run. But when, like last year, such a big percentage of your crop is Five and Six and Feed wheat, and your market is limited, the question of values is pretty difficult to establish. It is entirely a question of demand for those grades.

Q. Do you feel sure that the mixers divide the profits with the producers?—  
A. It depends on who the mixers are.

*By Mr. Donnelly:*

Q. You said that this year you had about a million bushels of off grades?—  
A. Yes.

Q. Where did you dispose of them?—A. Unfortunately some of them are not disposed of yet, but we find a market sometimes in Ontario. We get a man who wants special grades of wheat. Sometimes we find a market locally in Winnipeg—throughout Canada, in most cases.

Q. You say that if we set up a standard of 75-25, not much of those off-grades will then be mixed into it? It would not be allowed? There would not be much mixing?—A. I do not think so, as an opinion, but a terminal man is the one to answer that question.

Q. Your opinion is that there would not be nearly as much mixing?—A. Not of those grades, no.

Q. The result would be that you would have a lot of those off-grades to dispose of—more than you have at the present time?—A. Yes.

Q. And you would probably have the same difficulty on your hands if you stopped mixing?—A. To a certain extent.

Q. But perhaps it would not be quite as much as it would, but the same difficulty would exist as exists now?—A. That is a thing you can establish only by trying.

Q. With the 75-25 you would have to dispose of the off-grades almost as much as if you stopped mixing? You would have to dispose of those in the same way?—A. I do not know that I should try to answer that question. I do not know how much of the grain you would have. It is entirely a question of the man doing the mixing.

*By Mr. Garland (Bow River):*

Q. In the early part of your evidence you referred to the difficulty if we abolished mixing. Speaking of the European markets you said that all of the wheat which is sold is not sold direct to the millers, but is sold in many cases to the importers who themselves may blend, and possibly would blend if mixing were abolished?—A. No.

Q. Just what did you say then?—A. I said that in many instances you might sell a cargo or parcel of wheat to a dealer who would probably be a bull on the market and want to go long on wheat. We like to do as much business as we can directly with the millers, but our chief interest is in the price. If that dealer wants to pay for the cargo and the market advances so he would have a profit on his deal, he might sell that car to another dealer; he would sell that certificate and that dealer in turn would sell it to another dealer, and the process would go on—

*By Mr. Donnelly:*

Q. We have been told that if we do away with mixing they would go either to the United States or be mixed in the Old Country, and the profit for the mixing instead of being held in Canada, would be held in the United Kingdom or the country of importation.—A. It is done anyhow.

[Mr. George McIvor.]

Q. Do you think the same kind of mixing would be done in the Old Country as is done in Canada?—A. It would be mixing by the millers.

Q. Yes.—A. He would not permit it.

Q. Do you think that there is anything in the contention that mixing would be done in the Old Country rather than here, and profits taken there rather than in Canada?—A. Except what is done by the millers, no.

*By Mr. Garland (Bow River):*

Q. You have had a long and practical experience in handling wheat?—A. Yes.

Q. And you are pretty thoroughly conversant with the general world conditions regarding the trade. Now, as a result of your experience in this business, I am asking your advice. This Committee is anxious to do what is best for everybody concerned, for the producers, for the maintaining of our European standards, and so on. Keeping all these things in view, would you recommend the abolition of mixing?—A. At the present time, no.

*By Hon. Mr. Malcolm:*

Q. Mr. McIvor, I want to ask just a few questions on a different subject. What percentage of your wheat do you sell in Canada?—A. Of last year's crop we sold to the eastern mills 13,284,000 bushels; to the western mills, 26,502,000 bushels. That is out of a total handle of 214,000,000 bushels.

Q. So approximately 20 per cent of your sales were to Canadian mills?—A. Yes.

Q. Now, will you tell us whether the Canadian mills purchased mostly the higher grades or the lower grades?—A. They purchased—it depended entirely on the trade.

Q. Would the percentage of high-grade purchases by the Canadian mills equal the percentage of high-grade purchases by the foreign mills?—A. I would say about the same.

Q. There would not be any difference?—A. Not any radical difference.

Q. Can you tell the Committee what percentage of your sales was made direct to the millers and what percentage was made to the trade?—A. In our export business?

Q. Yes.—A. About 50 per cent made direct to the millers, and the balance to the trade.

Q. So only one-half of your grain could in any instance be mixed with grain from any other country for profit by an intermediary?—A. I would not consider that at all; I do not think that is done or will be done, because I do not believe the millers would buy it.

Q. Then about 20 per cent of your sales are in Canada, and about 80 per cent in the foreign markets? We had a great deal of discussion, with which you are possibly familiar, as to the lowering of the general out-turn by processes of skimming and selecting cars. To what extent did you find in past years that this affected the out-turn standard? Did you find it was serious?—A. No, although we do not permit the mills to select their grain.

Q. You never found that it was a serious factor in the lowering of the standard?—A. The percentage, I do not think, would be large enough to be a serious factor, but at the same time, in order to safeguard our own interests, we, as an organization, do not permit the mills to select our wheat. We sell the wheat to them as a man orders it. He might buy a certain line, and if we considered it advisable to do so we might have our man order grain from off that particular line, but as to the millers going into the cars and taking out samples and selecting it on those samples, we do not permit it because we do not think it is good practice.

Q. Do you think the advantage gained to the Canadian miller in producing a higher quality flour is of as much advantage to you, as the higher return on 80 per cent sold to the foreign markets? The only excuse for permitting the Canadian miller to select would be on the ground that if the Canadian mills could produce from selected wheat a higher grade flour then they would command more of the world's markets and would be better direct customers for you.—A. I think if you asked the Canadian mills they would tell you that a great deal of their trade is carried on with the pool. They seem to be pretty well satisfied.

Q. Not as a question, but as a statement, I was informed recently by a miller in Ontario that he never bothered selecting; he bought entirely from the pool and the average of the grades which he got from you was sufficiently good not to make it worth the bother of selecting his ears, and as far as he was concerned there was no justification for his firm skimming at all.

Q. Just one other point, although I think it has been made reasonably clear. You do not imagine that there was a very great deal of difference, if any, in the standards set by the various grades between this year and last year?—A. I said that our wheat is better this year.

Q. I was speaking of the standard this year. It is based on appearance?—A. I have not compared the standard; I do not know.

Q. But you have no reason to believe that the standard of any one grade compared in 1927 as against 1928, because you gave the Committee evidence that you sold the 1927 crop in 1928, and felt that you were quite justified in doing that on certificate final?—A. Well, I would not want my evidence misunderstood with regard to that. The evidence I gave was that we as an organization did not feel that we could guarantee that the buyer on the other side would receive 1928 wheat.

Q. Quite so, but the reason you said that—A. May I enlarge on my point there? In buying that the buyer must know the circumstances and know that he might receive old crop wheat, and as far as we are concerned he may have considered that in making his purchase.

Q. While the difference between July and October options was practically 3 cents, you explained that it was not all a question of the quality of the grade, that there were other factors entering into it?—A. The carrying charges.

Q. In your opinion, outside the carrying charges, the difference between July and October options existed, because the quality of the grade in 1928 was better than the quality of the grade in 1927?—A. The man that bought July options in 1928 concluded that he was getting delivery of No. 3 Northern Wheat; that was the available grade. I would say unquestionably that the No. 3 Northern this year is superior to that of last year.

Q. Quite so, but there is not necessarily any difference in the appearance of the grade?—A. I could not answer that. I have made comparisons but I cannot recollect just at the moment the actual appearance. I know this, that as far as the grinding qualities of the wheat were concerned, the last crop was much better than the previous crop.

Q. So that the complaints of the 1927 crop and the great satisfaction with the 1928 crop would indicate an improved quality this year over last?—A. Yes.

Q. To come back to the question Mr. Ross has raised in regard to the selling of wheat of one year in the succeeding year, that could never be solved unless by the suggestion of Mr. Miller, that wheat should be sold on its baking and milling values, not on its appearance?—A. Do you mean the carry-over from one year to another?

Mr. Ross (Moose Jaw): That opens up another question.

*By Hon. Mr. Malcolm:*

Q. I realize that I am opening up another question, but the fact remains that so long as wheat is graded on the appearance and weight, and the other factors described in the Grain Act, you could not possibly have anything else but a varying condition in the value of two crops, for milling purposes, and if you wanted to correct that you would have to use some other basis of inspecting wheat?—A. You would be bound to, on anything less than a miracle, with the varied characteristics in one crop of wheat as compared with another.

Q. As a man who has had a good deal of experience of selling wheat direct to millers, do you think it would be practicable to market our wheat on a protein standard?—A. No.

Q. You do not think it would be practicable to market our wheat on a protein standard?—A. No.

The CHAIRMAN: Gentlemen, it is past one o'clock. Does the Committee wish to take Mr. McIvor again this afternoon; are there many questions to ask?

Mr. Ross (*Moose Jaw*): I have one, following what the Hon. Mr. Malcolm has said, that I would like to ask. This is an important witness, Mr. Chairman.

The CHAIRMAN: What is the wish of the Committee?

Some Hon. MEMBERS: We had better meet at 4 o'clock.

The CHAIRMAN: Before you go, I have a telegram here which I would like to read. At our last meeting we decided to ask the Grain Trade to appear. Mr. Fraser wired the Secretary of the Northwest Grain Dealers' Association, and has received the following reply:—

A. A. FRASER,

Clerk of Agriculture Committee, Ottawa, Ont.

Message received thanks for invitation but operations of Northwest Grain Dealers Association confined within narrow limits and so far as appears from newspaper reports not affected by any proposals made before your Committee stop Association itself has no concrete recommendations to make stop Ross of Richardsons not member of association and not qualified to speak for its members stop Have spoken to a number of our members who as individuals naturally are interested in changes that may be made in the Grain Act they are and always have been willing to supply your Committee with all relevant facts within their knowledge bearing on grain handling questions they are at this stage reluctant to tender advice or express opinions without mature deliberation on new proposals bearing in mind that the handling of the prairie grain is a complex business which has been given more constant and vigilant governmental supervision than any other of like kind in the world stop The Grain Act itself has been built up on the findings of some nineteen parliamentary and judicial investigating bodies during the past twenty years stop They do not suggest that this Act is not susceptible of improvement but say that experience has shown that amendments made without adequate consideration have frequently in the past and may very well in the future have consequences far different from those contemplated by their authors stop Evidence of alleged evils give rise to the suggestion of many divergent remedies stop In their opinion the surest way to procure lasting and adequate remedies will be found through the mature wisdom of a strengthened board with if necessary enlarged powers.

J. G. FRASER,

Secretary, Northwest Grain Dealers Assn.

Does the Committee wish that telegram to be placed on the record?

Mr. GLEN: Yes.

The CHAIRMAN: Mr. Fraser, as I say, wired to the Northwest Grain Dealers' Association. Does the Committee wish the Winnipeg Grain Exchange to be invited to send a representative, or is this sufficient?

Hon. Mr. MOTHERWELL: It would be very interesting, but when are we going to get our report ready?

Mr. ROWE: I wanted to ask, Mr. Chairman, does the Committee consider sitting through the recess?

Mr. GLEN: How many more witnesses have we, Mr. Chairman?

The CHAIRMAN: We have Mr. Steele on Monday, and then the Grain Board.

Hon. Mr. MOTHERWELL: That will take all next week. They will be here next week.

Mr. GARLAND: And that will be all.

The CHAIRMAN: We will meet at four o'clock then.

The witness retired.

The Committee adjourned until four p.m.

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#### AFTERNOON SESSION

The Committee resumed at 4 p.m., the Chairman, Mr. Kay, presiding.

G. H. McIVOR, recalled.

*By Mr. Ross (Moose Jaw):*

Q. In your reply to Hon. Mr. Malcolm this morning you said that the central selling agency did not permit the selection of cars. You cannot stop the selection of cars, can you?—A. Well, Mr. Ross, we cannot in this way; if a miller purchases wheat from us for shipment off a certain line that is his property. If he gets some of that wheat which would be undesirable he could make whatever use he wanted to of the wheat. My answer had particular reference to a miller breaking the seal on our cars and selecting them according to sample. That is the thing we prohibit with the mills. Our own man there orders a car to the mill or we may ship from certain lines in the country to that particular mill. I think, if I see your point correctly, you have in mind purchasing wheat and using a portion of it. There is nothing to prevent that.

Q. With a crop such as that of 1927 the mills did a great deal of selecting, I understand. It was not buying from you on selection, but they did ship and test a great deal of wheat at their mills and did turn back into the trade a large portion of that because it happened to have the milling value they wanted to get. That kind of selection you cannot stop in any way. The wheat is their own property; they bought it and paid for it. Do you know whether they did that to any great extent?—A. I know they do that, but I have not heard of them doing it on a large scale.

Q. They would do it in a year when our crop was such as the 1927, when the milling value was low, to a greater extent than any other year?—A. Naturally, yes.

[Mr. George McIvor.]

*By Mr. Donnelly:*

Q. Mr. McIvor, just before the adjournment you were asked a question by Mr. Garland (Bow River) if you were in favour of eliminating mixing at the present time, and you said no. Later on in your evidence you said you had two reasons why you thought the elimination of mixing was not possible as between the grades, one was the lack of uniformity and the other was the difficulty in disposing of our off-grades. Have you any other reasons?—A. No.

Q. Those are the only two, lack of uniformity in the shipments going over and as regards the disposal of our off-grades?—A. Yes.

Q. Do you think there would be difficulty in keeping up to the 75-25 standard?—A. I can only give you the opinion of our terminal men and our inspectors. They say no.

Q. With your first wheat which comes in, as you pictured it a while ago, you would have some coming out of the terminal elevators which would be of a low standard. Would you say the same thing about the 75-25, that they would not live up to it? Would you not likely have the lack of uniformity? You would have some grades of wheat from Northern Manitoba, we will say, which would not live up to the 75-25?—A. It all depends on what you took for the basis of the 75-25.

Q. How do you mean?—A. Well, I imagine your basis of 75-25, your earlier wheat, would of course be inspected out on the basis of your earlier inspection.

Q. Do you mean you would have two standards, one for an early inspection and one for a late inspection?—A. No, the same standard.

Q. Then, I do not see where your 75-25 export standard will vary from time to time?—A. It would all be either the minimum or better than the 75-25. It would have to be that.

Q. I understood you to say that if you just brought it in in the early part of the year you would have some of it down to the minimum, and you would not be able to stop mixing to live up to the standard. Would not the same condition prevail with the 75-25?—A. It probably would during the early part of the year, but when the crop was in full swing I do not think it would.

Q. Would that not hold good with mixing?—A. I don't think so—not to the same extent.

Q. I do not see the reason why?—A. If you do away with mixing you will put the grain out exactly as you got it.

Q. If you put it in to 75-25, would you not do that?—A. Arrive at a minimum?

Q. You would have to wait until the middle of November or the first of December until you got other wheat in?—A. No. The wheat you would get later on, if it is better—I am not saying it would be—would improve your standard.

Q. As a matter of fact, you make up different varieties of wheat, but do you think you would get the run of wheat all down to the minimum? You would get a lower grade perhaps, but supposing first class wheat was a No. 4, you do not say that it would all come in at the bottom four?—A. No, there would be some at the top—bound to be.

Q. Would it not be the average of that class of 4?—A. Some of your cargoes would be lower and some higher naturally.

Q. Your cargoes might go out with a slight variation, and it might be a different variety of wheat, but I cannot see why you are going to get a variety of wheat in any one section of the country all down at the bottom of the grade. It may be a run of 4's or 5's, but I cannot see why you will get it all down to the bottom of that grade.—A. You will not get the bottom of the grade.

Q. Then you will get the average of the grade?—A. You could not, by mixing your grain.

[Mr. George McIvor.]

Q. Would you not get the average?—A. No, because the man on the other side would have no idea of what he was going to get.

Q. He does not have now until you send over your standard?—A. He does not have it now even when we send over the standard, but this wheat does go out with a certain uniformity.

Q. In some way he would have the same idea when he gets his 75-25 sample?—A. He would have a better idea when he gets his wheat.

Q. I do not see that that makes any difference?—A. Except that a terminal man when taking in wheat gets in, we will say, No. 3 Northern and puts it in the 3 Northern bin, and it would be loaded out as 3 Northern if mixing were discontinued. Government inspectors are in the elevators and will provide that the wheat shall not be mingled or mixed; the grain will be loaded out as it is. We will be more responsible for a lack of uniformity than if the wheat was mixed up to a certain standard.

Q. Because all of the 3 is put into the one bin?—A. The wheat would not be touched at all; it would simply go out as it came in. It would not be mixed. A terminal elevator mixing to a certain standard would naturally mix the grain they had in their elevator and send it out on that standard.

Q. What do you mean by mixing it; do you mean that they are going to put in No. 2 to mix with No. 3?—A. They might do that.

Q. Do you mean to say that they would put in No. 2?—A. They might put No. 4 in.

Mr. GARLAND (*Bow River*): Would not they have to do it to bring it up to the 75-25.

*By Mr. Donnelly:*

Q. Would they bring it up to the 75-25?—A. It would depend upon how much Four they put into it.

Q. I do not see where you are going to get a lack of uniformity; I do not see how we are in the one case going to get uniformity and not get uniformity in the other, I cannot see that?—A. As I see the situation, the terminal man, if he is putting out wheat to a certain standard, is not going to put it out over that standard. I think that is conceded.

Q. That is conceded. I am not objecting to the 75-25 at all?—A. I understand that.

Q. But you will get just as good, if you do away with mixing, and will get it just as uniform; that is what I think.—A. I do not believe you will.

Q. In regard to your off grades, under the 75-25 standard, you admit you are going to have more; if you eliminate mixing, will you have any more, if you do away with mixing entirely?—A. Well, you will have some, but I do not think the proportion will be exceedingly large, because I do not believe that under a straight standard the terminals will put in very much off-grade wheat.

Q. I do not say they are going to put in much smutty wheat or rotten kernels sprouted stuff, but I do not see how there is going to be very much difference as between the 75-25 and the other if you stop mixing entirely. I think the same objection exists in the one case as in the other.

*By Mr. Brown:*

Q. Dr. Donnelly asked you about two objections you had to abolishing mixing, and you indicated those, but there was another objection raised by a former witness, and I might call it to your attention. It was indicated that in the loading out of cargoes it might very well be that there was not enough of a particular grade to complete the cargoes, and that in order to have a cargo shipped on time and meet the requirements, it would be necessary in that case to do some mixing. Would that come within your department?—A. Yes.

Q. Might that not possibly happen?—A. That has been done, but it is not a serious thing.

*By Mr. Donnelly:*

Q. In part cargoes?—A. I think if you have an order to fill, it might be necessary to mix the grain, in order to complete it.

*By Mr. Garland (Bow River):*

Q. What about your Prince Rupert elevator?—A. I do not see how you can operate out of Prince Rupert without mixing.

*By Mr. Brown:*

Q. That objection was raised by a former witness.

*By Mr. Donnelly:*

Q. What is the reason for that?—A. Your Prince Rupert business is entirely a tramp business. You cannot get out of Prince Rupert more than a small shipment of grain.

*By Hon. Mr. Motherwell:*

Q. How many holds would there be?—A. You would have to have a minimum of probably about four million bushels.

Q. But how many sections, how many holds, would there be?—A. Probably 5 holds of 50,000 bushels each.

Q. You could have all different grades, could you not?

*By Mr. Donnelly:*

Q. What do you do at the present time?—A. The grain is mixed.

Q. If you have an order for No. 3, what do you do to get it out, mix No. 4 in with it or No. 5; you have to send out No. 3?—A. Of course you have to send out No. 3, but you would mix your grain 2 or 3 Northern to a No. 3 Northern.

*By Mr. Millar:*

Q. It is a private elevator?—A. It is a private elevator.

*By Mr. Brown:*

Q. On occasion you find it necessary, in order to get what you want, to put in No. 2 Northern, or to put in No. 2 and No. 4 to make it No. 3?—A. The terminal superintendent might find it necessary to mix No. 2 and No. 4 to get No. 3.

*By Mr. Donnelly:*

Q. If you had the 75-25, how would it work? Would you not have the same difficulty?—A. Except that he will have to mix up to that standard. He will still be permitted to mix, but he will have to mix up to that standard.

Mr. BROWN: Dr. Donnelly has not caught the point I brought up this morning, that standardization is not possible without mixing. If we realize that standardization is not possible without mixing we will get nowhere.

Mr. VALLANCE: We will agree to mixing, within the grade.

Mr. BROWN: You mean, confined to within the grade?

Mr. VALLANCE: You can standardize from the minimum to the maximum of the grade.

Mr. BROWN: That is not mixing at all. Then you have the question of uniformity, which the witness has said is very desirable. Now, as to what degree of uniformity you could have under such circumstances, I am not prepared to say, but it is clear to me as daylight that you cannot have the same degree of uniformity as you can have if you mix up to a certain standard.

Mr. MILLAR: That is not the important thing.

Mr. VALLANCE: Take it as we have it to-day. A farmer sells his grain on a standard which is the minimum of the grade, and he delivers it from the maximum to the minimum irrespective of where it comes from. Saskatchewan may be No. 3 down, and Alberta may be from No. 1 to No. 3, but within the grade you can have uniformity of grade irrespective of where it comes from. They are selling to the same standard.

Mr. BROWN: That depends upon the quantities of low or high you have to deliver. It might possibly be uniform, but no person can certify that it would be uniform. You cannot certify uniformity when you mix up to a particular standard.

*By Mr Ross (Moose Jaw):*

Q. The 75-25 will be set on the minimum, 75 of the average passing the primary inspection, and if it is on the 75-25 there is no reason why they cannot mix to that standard on the grade?—A. I think you had better ask the terminal man and the chief inspector.

The CHAIRMAN: It seems to me that we are rather instructing the witness, instead of allowing the witness to instruct us.

*By Mr. Donnelly:*

Q. There is one other question in regard to mixing. We have a public terminal at the head of the Lakes. Now, if we set up the 75-25, and we are told by the Brown Commission that this is the place where they throw in all the stuff they do not want, how would you like to be running a public terminal, and have to ship out on the 75-25? Do you think you could do it?—A. Is it true that the elevator is getting all that stuff?

Q. I understand that Mr. Hetherington said he could not put it out at 75-25?—A. I think you would have to make certain provisions.

Q. Mr. Hetherington told me I know that he could not ship it out on 75-25 and maintain that standard, and I do not see how he could, if he was getting the off-grades and the minimum of the grades?—A. That is a question for the man operating the elevator to answer. I cannot answer that question.

*By Mr. Millar:*

Q. Coming back to the answer you gave to Mr. Garland before lunch, in regard to mixing, I can see that there might be other reasons, that you would say you would not recommend the abolishing of mixing, being an official of the pool—

Mr. GARLAND: I object to that, Mr. Chairman.

The CHAIRMAN: I would tell the witness that he need not answer any unfair questions.

Mr. MILLAR: You do not know yet what I intend to ask, sir.

Mr. GARLAND (*Bow River*): I raise the point of order now. Mr. Millar in stating his question is informing the Committee and the witness, that the witness is answering in the manner in which he does because he is an official of a pool, which has already taken a certain position.

Mr. MILLAR: That is not the point I was coming to at all.

*By Mr. Millar:*

Q. As an official of the pool, in recommending a radical change without being absolutely sure, you would be placing your organization in an awkward position. Was there any such reason as that for answering Mr. Garland as you did?—A. Any opinion I have given to-day is entirely my own opinion.

Q. I understood you were placed on the stand as an official of the pool?—A. I am an official of the pool, but I have been asked to give my personal opinion and I gave that irrespective of what the position of the pool should be in the matter.

Q. Let me put it in another way.

The CHAIRMAN: I do not think you can put it in another way, Mr. Millar. He has answered your question.

*By Mr. Millar:*

Q. But I am putting it in another way. If we were operating at the present time on a system without mixing, no mixing in practice at all, and you were asked the question, would you recommend a change to the mixing system, or would you not still be reluctant about saying "No" because of the radical change?

Mr. BROWN: That is purely a hypothetical question.

Mr. MILLAR: Mr. Brown has asked a lot of hypothetical questions to-day.

Mr. BROWN: No, I have not. Nobody has stuck more closely to the facts than I have.

*By Mr. Millar:*

Q. Let me ask you this question, Mr. McIvor; if you had the opportunity of choosing between a cargo of grain direct from the farmer's wagon, if you had an opportunity of selling overseas a cargo of grain direct from the farmer's wagon, and a cargo of grain from a private terminal, which do you think would sell the best?—A. I do not know. It would depend a lot upon the grain which came from the farmer's wagon.

Mr. GARLAND (*Bow River*): How about Edmonton grain?

*By Mr. Millar:*

Q. If you do not care to answer, I will let it go at that.

WITNESS: I do not think that is fair.

Mr. GARLAND: It is impossible to answer a question like that. No man in his sane senses would answer categorically a question like that.

Mr. MILLAR: I think if I were holding a position as a salesman, I would take the grain from the farmer's wagon. I think that is beyond question.

*By Mr. Millar:*

Q. If the numerous off-grades were treated, are there any of them that would not fall readily into one of six grades established for the purpose of selling those off-grades?—A. Yes, but I think some of your heated grain, some really badly smutted grain, might be difficult.

Q. But if those off-grades were all treated?—A. It would be very difficult to treat some of your off grades, those too poor to go out, say No. 6.

Q. Those off-grades, the proportion which would be too poor to go into any of those six established grades would be very small?—A. I probably did not get your question. The idea is you would have six new off-grades?

Q. Yes, we would have six off-grades to correspond with the six straight grades for the purpose of classifying the off-grades after they were treated?—A. That would depend entirely upon what you would require in those off-grades, the provision you make for those off-grades, as to whether the inspectors would live up to that provision.

Q. Yes. Well, I just wanted your opinion, if it would not be possible to classify all those off-grades, after they are treated, into six off-grades, just the same as the straight grades, and still have each one classified with grain of about the same class.—A. Well, I do not know just whether I can answer that question or not.

Q. If you have not considered it I will not press it at all.—A. No.

Q. I would like to have your opinion in regard to a proposal that has been made to establish a western standard as well as an eastern standard, because of the different type of grain grown in Alberta.—A. That is to have a different standard for your western shipments as against your eastern shipments?

Q. Yes, a standard of about the same value, but made up of the Alberta type of grain rather than of the other.—A. Well, I think that is taken care of, Mr. Millar, by the buyer. For instance, some buyers express a preference for Pacific wheat, and some buyers express a preference for Atlantic wheats, and they are able to meet the situation. The Certificate carries the notation whether it is Pacific or Atlantic; and the buyers are willing to meet the situation in the price. If they express a preference, they will express it in the price.

Q. The thought has been given here that it is difficult for the inspectors to grade western grain on a sample made up of say, three-quarters eastern grain, or nearly all eastern grain, because the type is so different.—A. Well, I imagine it is difficult to grade it.

Q. But you have not thought the matter out?—A. No.

*By Mr. Donnelly:*

Q. As a marketer of grain, would you think it wise to have one standard for the Pacific coast and another for the Atlantic coast, and when we ship to the Hudson Bay, another standard for the Hudson Bay?—A. No, I think it would disturb the buyers.

Q. The Committee took this into consideration and were considering the possibility or probability of establishing a Pacific coast standard and an Atlantic coast standard, and would like to know how it would appeal to you. Do you think it would be better to have the one standard?—A. Yes.

Q. Do you think it would make it easier to sell the grain?—A. Yes.

*By Mr. Garland:*

Q. Mr. Chairman, the witness has already stated that the buyer has consciously or unconsciously segregated the Atlantic from the Pacific, right now, and he allowed us to imply that there was no need for two standards of wheat, or a double standard, because the buyer was now buying a Pacific wheat because of its peculiar quality. Is that correct, sir?—A. Yes.

Q. In that case, what objection is there to setting up a standard on which they can really guide their purchases.—A. One difficulty is that all your Alberta wheat does not move through the Pacific coast; in fact probably forty per cent of it moves East. And what are you going to do with that?

Mr. GARLAND: The Committee has to consider that.

*By Mr. Brown:*

Q. That is coming East anyway?—A. Yes, it has to come East.

Q. I think you have admitted that you have not thought over the problem in all its bearings?—A. No, I have not.

*By Mr. Donnelly:*

Q. You have thought of the problem only from your position as a seller of wheat?—A. Yes.

*By Mr. Garland:*

Q. I am satisfied, Mr. Chairman, with the statement of the witness, that the buyer is to-day separating the standards of Atlantic and Pacific wheats?—A. It is done. For instance, we had a buyer through here last Fall, and he made a trip through to the Pacific coast, and he examined samples as he went through, finally winding up at Vancouver; and after he got back to Winnipeg he expressed the opinion to me that he preferred the Vancouver wheats. On the other hand, we have had millers who have expressed their preference for Atlantic wheats. So that it is merely a question of the preference that they put on it themselves.

*By Mr. Donnelly:*

Q. Is there any variation in the prices?—A. At some times there is a slight advantage in favour of the Pacific wheats; and at other times there is an advantage in favour of Atlantic over Pacific wheats.

Q. What is the reason of that?—A. Sometimes the buyer can get quicker shipment of Atlantic wheats. In other cases if he prefers Pacific wheat, he might pay a premium and be willing to wait for it.

*By Mr. Garland:*

Q. Mr. Chairman I wonder if the witness would give the Committee whatever information he has in regard to mixing of Durums at Montreal. I understood he was one of the men who looked into that proposition. I think this Committee would be interested.—A. I have a file here on that subject, if you wish to go into it.

Q. Yes.—A. We, as an organization, objected to the practice of mixing Durum wheat in Montreal, mixing the Canadian and American Durums. We objected on really two different grounds. One was that the grain was being sent out on an eastern grain inspection division certificate. That certificate does not state that the grain is American and Canadian Durum wheat mixed.

*By Mr. Donnelly:*

Q. It does not state so?—A. No, it does not. The result is that it is our opinion that the buyer was in many instances buying what he thought was Canadian Durum wheat, while actually he was obtaining a mixture of American and Canadian Durum wheat. It was further our opinion that a good deal of American Durum wheat could not stand on its own legs, and that the growth of the Durum wheat in western Canada was expanding so rapidly that the situation should be carefully looked into.

We took the matter up with our London office, and asked them to make investigations. I have a letter here from them, if you would wish me to read it, expressing their opinion.

The CHAIRMAN: Yes.

The WITNESS: This is from Mr. Smith, from London,—this is the practice which he is referring to:—

I was pleased to have your cable advising that serious consideration was being given by our organization to the question of issuing seaboard Inspection Certificates on American grain mixed with Canadian at Canadian seaboard ports.

I have thought for some years this was a practice which undoubtedly was working against the best interests of the producer. There is no doubt in my mind that the Government, when they originally agreed to grant seaboard Inspection Certificates, did this figuring that it would be a certain means of disposing of some of our products with the help of the

American exporters, this being at a time when Canada had not developed a world's market for the various varieties of grain grown in Western Canada. However, the situation to-day is such that no assistance is required from outside sources in the marketing of our commodities and therefore the practice of issuing seaboard Inspection Certificates, which was at one time of actual benefit to Canada, has to-day the very reverse effect.

The granting of Seaboard Inspection Certificates stamped with the Canadian Government guarantee (which is at all times of great help to a seller) on American Durums mixed with Canadian Durums and sold as No. 2 mixed Durums, Canadian seaboard inspection, or American Rye mixed with Canadian Rye and sold as No. 2 Western Rye, Canadian Seaboard Inspection, at once gives some buyers the impression that they are purchasing purely Canadian grain and therefore are prepared to buy these mixed varieties if offered at a small discount under No. 2 Amber Durum or No. 2 Canadian Western Rye, Fort William Inspection, they naturally anticipating the seaboard inspection quality would be almost equal to the Fort William inspection. This is a practice which has been carried on by American shippers for many years, they making substantial profits; however, there is no doubt buyers on this side are at last beginning to realize there is considerable difference between seaboard and Fort William inspection with the result that the volume of shipment of these mixed Durums and Rye have fallen off perceptibly. The buyers to-day are only willing to make purchases at wide discounts which does not make the mixing as attractive a proposition as it was in the past.

I think with Canada to-day controlling about one-third of the total world's exportable surplus and producing, without question, the finest of wheat, it is unfortunate the practice still exists whereby we fall back on another country's grain for mixing to enable Canada to market her products. This practice is, in my mind, absolutely unnecessary, there being no question whatever that Canada can find a market herself for every bushel of grain she produces.

The refusal to grant this seaboard inspection might, at first, have some effect on Canada's local sales of Durum and Rye, but eventually feel sure the result would be greatly to Canada's benefit, there being little doubt America would have some difficulty in disposing of her low grade Durum and Rye without the use of the Canadian varieties to raise the quality of their products to the standard necessary to find a market on this side.

Taking all the facts into consideration I am definitely in favour of immediate steps being taken to prevail on the Canadian Government that they should refuse to grant further seaboard inspection certificates on any shipments from their ports.

*By the Chairman:*

Q. Who writes that?—A. That is our man in London. That was written in November last.

*By Mr. Donnelly:*

Q. Have you the Certificates, or copies of them?—A. Yes, I have, Mr. Donnelly.

(The witness hands copies of the Certificates to the Committee).

*By Mr. Garland:*

Q. The one-third referred to by Mr. Smith, was of wheats, it was not of Durums alone.—A. Yes, he is referring to all wheats.

*By Mr. Donnelly:*

Q. In those Certificates, Mr. McIvor, do they not state that it is mixed grain of Canadian and American origin? We were led to believe that the grain set out in that way on the Certificate was mixed grain, in fact they showed us these Certificates from Montreal, that when they were mixed it was shown as a mixture of Canadian and American Durums.—A. Here is a copy of the Certificate. The thing I would like to point out is how that Certificate could be confused with the Fort William Certificate.

*By Mr. Garland:*

Q. "Appointed by the Board of Grain Commissioners under the Canada Grain Act." That certainly would give the importer the impression that it was Canadian grain, alright.—A. Yes.

*By Mr. Coote:*

Q. Are you through making your statement, Mr. McIvor?—A. I have some figures here on the expansion of growth of the Durum wheats. I do not know whether you would want to listen to them or not; they are quite extensive. That is a point we were particularly interested in. While this practice may have been alright years ago, when Canada was growing very little Durum wheat, yet to-day, with the amount of Durum wheat that is being grown in Canada, it is in our opinion a wrong practice.

*By the Chairman:*

Q. There will be less of it to go, if we can find a proper response.

*By Mr. Coote:*

Q. One witness brought before us from Montreal stated that it was in the interests of the western farmer that they were getting rid of considerable Canadian low-grade Durum, which otherwise would have to go to the United States and be mixed over there; and that the producer was getting a better price for his Durum because of this practice.—A. Well, I feel sorry for him, if it gets any worse.

*By Mr. Donnelly:*

Q. The point which interests me, as a member of the Committee, is this: While you people object so strongly to the mixing in Montreal, yet you think the mixing and getting rid of the poor grade stuff at the head of the lakes is alright. I cannot see the difference.—A. Our real objection to the situation in Montreal is that our grain has been going out under false colours.

The ACTING CHAIRMAN (Mr. Brown): That makes a very great difference.

The WITNESS: If we are going to build up the reputation of our Certificate, and stand behind our Certificate, we do not want buyers on the other side, when they think they are buying our wheat, to get part Canadian and part American wheat.

*By the Acting Chairman:*

Q. That is your main objection, the danger of confusing those two Certificates?—A. You can understand we are trying now to develop a market for our Durum wheats in Italy—largely in Italy, and in Germany and in France. We meet this class of Durum wheat in competition all the time under this Certificate. The buyer in many instances thinks he is buying straight Canadian Durum wheat, when actually he is buying a mixture of American and Canadian Durum wheats.

Our objection is that if there is a part of this American Durum wheat that cannot be marketed overseas it should remain at home—that is without the aid of our Durum wheats.

[Mr. George McIvor.]

*By Mr. Donnelly:*

Q. This Committee was told definitely that when the mixture is made it was marked as a mixture.—A. Well, there is the Certificate.

Q. They had a Certificate which showed the same thing?—A. Then it must have been a recent innovation.

*By the Acting Chairman:*

Q. I think, Dr. Donnelly was wrong in that. There was a suggestion that a new Certificate be introduced. I asked the question:—

Q. As American grade, or Canadian?—A. It does not go out as either. It goes out on the Board of Grain Commissioners' Certificate. It does not state whether it is Canadian or American grain.

There was a suggestion that a new certificate should be provided in which the origin of the wheat should be indicated.

*By Mr. Coote:*

Q. Then I would like to ask the witness if he thinks if a distinctive certificate were used to cover that 2 Amber Durum, as I think they call it, whether that would meet the objection of the Pool?—A. Well, we are not in favour of that practice which obtains in Montreal. I might say that it is our information that there are no Canadian firms engaging in this mixing. It is being done almost entirely by American firms.

Q. Well, would these have caused you any difficulty with the grade 2 Canadian Western and Amber Durum which was a pretty good wheat, and they are putting this mixture out in Montreal as 2 Amber Durum?—A. Yes.

Q. The names are exactly the same, except that the words "Canada Western" are omitted—would that lead to some confusion in the minds of buyers in the old country?—A. Yes.

Q. That was one of your objections at least?—A. Yes.

*By Mr. Millar:*

Q. You object to it, Mr. McIvor, on the ground of deception?—A. Yes.

Q. Would there not be some reason for making the same objection to the practice of mixing in almost rotten wheat, a little stream of this and a little stream of that, into the higher grades going out of Fort William?—A. There might be, but if you raised your standard at Fort William, you would eliminate a lot of that.

*By Mr. Garland (Bow River):*

Q. Mr. McIvor, what is the total quantity of American Durum which was imported for this mixing process, and the quantity of Canadian Durum mixed with the American Durum?—A. I have not those figures here.

Q. Can you give it approximately?—A. I have a report here of the meeting at Montreal and I thought possibly it would be in that.

Q. While I am not certain whether it was said by a witness or read in a letter, it is my recollection that about 20 million bushels, or something more than that of American Durum was brought up to mix with a small quantity of Canadian Durum, which largely increased the business of the port of Montreal.

The ACTING CHAIRMAN: The Minister of Trade and Commerce (Hon. Mr. Malcolm) put certain figures on the record.

The WITNESS: That is not altogether a true statement. I think a great many of your Duluth Durums are shipped through Montreal because it is the cheapest route, and they will come there anyway.

*By Mr. Ross (Moose Jaw):*

Q. Is it your suggestion that no wheat, especially our own, should go on the certificate with American origin on it?—A. It at least should have reference to the fact that it is American and Canadian grain mixed.

Q. You think they should stop issuing the certificates for 2 Amber Durum?—A. I think if they definitely marked on the certificate what was constituted in the mix, it would not really matter what name they had for it on the certificate.

Q. The witnesses from the Montreal Harbour Board who were here gave us to understand that if a change were made of that kind it would seriously affect the selling of that grain. Would the European buyers be mixed up in that very long, or would they soon get to know it?—A. It would seriously affect the selling of our Durums?

Q. No, of the wheat going through there at the present time under the new certificate?—A. If this has to sell itself because it deceives the buyer, I think the quicker the sales are effected, the better.

Q. You do not think it would lessen to any great extent the amount of American wheat going through the port of Montreal?—A. No. If I remember the figures which were given, they were 20 million as against 3 million. I would imagine that 17 million of that grain went out unmixed, of American grain, and probably the other 3 million would be mixed with Canadian.

Q. I understood the figures to be 20 million all told, 17 million of American and 3 million of Canadian, and they were mixed together. That was my understanding.—A. Our opinion is that the reason there is a large quantity of Durum wheat shipped through Montreal is because it is the cheapest route.

Mr. GARLAND (*Bow River*): There is one question which we might as well clear up now. The question was raised not of the veracity of the witness, but of the accuracy of the information given by another witness as to whether the certificates have on them information that there is a mixture. Perhaps we could have a statement from Mr. Fraser on that point?

Mr. FRASER: There is no certificate issued at Montreal showing the mix.

The Acting CHAIRMAN: You will find the certificates printed in the evidence.

Mr. GARLAND (*Bow River*): That is right; we have it cleared up now.

*By Mr. Coote:*

Q. What grades of Amber Durum wheat do you handle? Is the bulk of them exported?—A. Of our grades of Amber Durum wheat handled this year there were 63,000 of number 1 Durum, 1,708,000 of No. 2 Durum; 2,744,000 of No. 3 Durum; 438,000 of No. 4 Durum; 241,000 of No. 5 Durum, and 16,000 of No. 6 Durum.

Q. Could you tell us where these lower grades were disposed? Did you export those, or sell them to the dealers in the United States?—A. The bulk of our Durum this year will be exported. We did sell some to dealers in the United States.

*By the Acting Chairman:*

Q. Just one question going back to the evidence we had from one of these Montreal gentlemen. He stated very emphatically in regard to 3 Canadian Western Durum that that grade was pretty hard to sell by itself, and it was that, he contended, which was chiefly used in mixing up these mixtures. In your judgment is that a correct statement?—A. No.

*By Mr. Coote:*

Q. That is the point I was on. I want to try to find out whether the pool marketed their Nos. 3 and 4 Canadian Western Durum under those grades, or did they sell them to these people in Montreal?—A. We marketed a portion of it for export. Probably of the No. 3 Durum from 50 to 60 per cent; of the No. 4 Durum, probably around 4 per cent; the balance is sold to these dealers in Montreal.

*By Mr. Donnelly:*

Q. What about the 1 and 2?—A. Largely exported.

Q. Through Montreal?—A. Some of it through Montreal; some through the United States ports.

*By the Acting Chairman:*

Q. But you did sell a proportion of this to American mixers?—A. Yes.

*By Mr. Coote:*

Q. If this practice were prohibited in Montreal, would it affect you to any extent in the sale of your low grade Durums?—A. Our information from our people on the other side is that they could find a market for the low grade Durums. You can see from that letter from Smith that he is quite of the opinion that it could be marketed.

*By Mr. Ross (Moose Jaw):*

Q. What is the difference between No. 3 Canadian Western Durum and No. 2 Amber Durum? Is there any great difference?—A. I would say they would be very close.

*By Mr. Coote:*

Q. Do you think it is a proper practice to have two grades of wheat going out with so little difference as two Amber Durum and the 2 Canadian Western Amber Durum?—A. You mean in the name?

Q. They are both being called "2." Of course, one bears the additional words "Canadian Western." Is that a proper practice for us to countenance? Is it not confusing in the old country?—A. Yes, I would say it is.

Q. The reason given to us by the members of the Standard Board who appeared before us from Montreal for calling this a 2 Amber Durum was that they wanted to make it compare with the United States 2 Amber Durum. Taking that into consideration would you still state it as your opinion that it is not a proper practice to continue?—A. Yes.

Q. I was not at the meeting of the Committee when they were discussing barley grades, but if I recollect correctly from reading the evidence it seems to me that the barley grades Committee were recommending the establishment of some low grade barley and giving it the same name or the same number as the corresponding barley in the United States. It seems to me they recommend adopting that principle.—A. Making it comparable with the 2 Federal in the United States?

Q. I think so.

*By Hon. Mr. Motherwell:*

Q. Since we are on barley, may I ask a question or two? The day before yesterday we had two excellent witnesses here who apparently had been sent overseas both to the United Kingdom and to Europe to inquire into this situation to enable them to put the last touch upon a new system for grading barley, upon

[Mr. George McIvor.]

which they had been working for several months,—years in fact. At the end of the observations of these witnesses both of them indicated that in order to carry out this system of grading it would be necessary to special bin them in order to preserve the germinating characteristics of each, because we know different barleys have different dispositions regarding germination. We also asked Mr. Fraser if he thought it would be necessary to specially bin these. In other words, it was contended there be no mixing as regards barley, otherwise the policy they enunciated could not be carried out. If that holds good for barley out of which we make beer, would it not hold good with wheat out of which we make bread? Should we not preserve wheat the same as barley, intact? What do you think about that?—A. As I understand this barley situation—is it the idea of the Committee that there be no mixing permitted in barley?

Q. That was the idea, and that was the only way they could carry out this principle.—A. Or was it their idea to put out a certain standard of barley?

Q. Different varieties of barley, with different characteristics of germination?—A. As a matter of fact, I have not read the evidence before this Committee, but was it the recommendation of the Committee—

Q. The Committee has not dealt with it as yet. These gentlemen recommended there be special binning to keep intact the barley and to keep the grades separate, and that is the way it will have to be handled?—A. That is, barley selected—

Q. Two-row barley and six-row barley have different germination characteristics, as to time and so forth. However, if you have not read the evidence I will not press that.—A. I think barley has largely a specialty market. I do not think it can be compared with wheat.

Q. It was brought out that the real merits of these respective barleys could not be brought out by mixing, that they had to keep them intact because of their different germinating tendencies, and it occurred to me that the characteristics of our high grade wheat would be just the same, that you could not get full justice by a policy of mixing low grade stuff amongst them. Now, with regard to Garnet wheat—

Hon. Mr. MOTHERWELL: You were good enough, Mr. McIvor, to take charge of five or six thousand bushels of Garnet wheat for Europe and the United Kingdom. I may say that after hunting around in every quarter to find where we could get the best medium to get this wheat fair and square and keep it that way, we got in touch with the pool, knowing their connections throughout the country and abroad. We arranged for sacking, not so much for keeping it intact, but also for convenience of distribution on the other side, and we thought it would not be much more expensive to provide sacks than to distribute it and re-distribute it in bulk on the other side. I understand you have it nearly ready. Do you know what it grades?—A. It had not been inspected when I left Winnipeg, but the shipment has gone. It is on the way overseas. Ocean tonnage has been chartered. I think it will be a No. 2.

Q. It was as uniform as possible?—A. Yes.

Q. And representing all the three prairie provinces?—A. Yes. I think it will be No. 2 Northern.

Q. Supposing somebody had come along before that was ready to go out and said, "Now, Mr. McIvor, that is a pretty nice sample of No. 2 Northern; it could stand a little bit of sprouted Garnet, a little bit that was heated, a little bit rejected, with a touch of rye, a little barley and a little bit of smut and all the rest of the conglomeration associated with these straight grades."—I feel sure you would have objected on the ground that that was not a fair test for Garnet.—A. I do not know how you can really draw a comparision. Our

[Mr. George McIvor.]

instructions from the government were to assemble this wheat and bin specially selected samples from all over the country, and after doing that we naturally would put no rejected into it.

Q. It would not do justice to the experiment?—A. Not after the efforts which were made to obtain that pure Garnet wheat. I do not think that is comparable to the question.

Q. You can seldom get things absolutely comparable in this world, but that is as close as I could get it.—A. Would you put your bin-burned rejected in?

Q. No, I don't think anybody would suggest putting bin-burned in it.—A. Well, rejected and smutty—I don't know as you could get those into No. 2 Northern.

Q. Yes, you can put smutty in. It goes into the best according to our information. Would that be a fair experiment simply because it happened to be a pretty good looking 2? I think you will agree, that it would not.—A. It would not in this way, that you are sending over a shipment of pure Garnet wheat. You have assembled that shipment for a specific purpose.

Q. We wanted to put our wheat over as good as we could.—A. I agree absolutely.

Q. Let us apply the same thing to others. Do you think the cargoes you send over would be as good as possible if it had all these various off-grades merged with them?—A. I think, getting back again to the standard, if you raise the standard you would not get them in there.

Q. I do not want to pretend that I am a willing convert to mixing, but if we are going to have it I would like to see the merits of it and try to look at it from every conceivable angle.—A. Try it out to see how it goes.

Q. Were you engaged in the grain trade prior to 1925?—A. I started in 1912.

Q. You know that mixing was practised long before it was legalized? From 1912 to 1925—about twelve years—it was illegal to mix, and yet the evidence went to show that half the elevators were mixing at the time the Turgeon Commission was sitting, and it has been legalized since that. We have had a long try-out—16 years, 12 illegal, and since it was made legal they have certainly "whooped it up for fair." Do you not think it is time to give the men who hold different views a try-out, as we had it between 1900 and 1912? That would look like a modest proposal.—A. I would not dispute their right to try it.

Q. You said that you could not very well make a trial shipment. I think a lot of the pools really felt that they could engage in beneficent and beneficial mixing. I know they did, because they told me so. There is a certain beneficial mixing if you can stop at that, but it is so enticing and attractive and alluring that they are not long engaged that way until they are in it up to the limit. Now, my proposal is that after these long sixteen years—and some of us do not expect to live more than sixteen or twenty years more—we would like to see the other tried out for a few years.

Mr. GARLAND (*Bow River*): But during twelve of those sixteen years the condition which he asks us now to adopt did exist.

Hon. Mr. MOTHERWELL: We are much wiser than when it was going on during that twelve years. We did not know that there was no inspector in the elevators. If you wanted to get in there it was by the grace of the owners. It was a go-as-you-please. Now we know differently. We did not know for many years that mixing was going on. We drifted, and our reputation suffered. It was claimed that our certificate final was as good as the Bank of England, but we were dwelling all those years in a fool's paradise, until finally it got such a hold on the country that they said "Let us make it legal now" and we did. I think we will catch on much quicker now than we would have sixteen years ago.

*By Mr. Millar:*

Q. Referring to the certificate final: I take it from your evidence that you are in favour of continuing selling on the certificate final. Is there not a certain amount of reaction against Canadian wheat because of this final, that cargo going over there gives them no redress? Sometimes we feel a little aggrieved. There are many statements on record where they have requested an appeal board. Do you think it would be worth while to make an effort to give them an international appeal board?—A. You would have them appeal on every shipment. I must say candidly that I have not seen any evidence of dissatisfaction on the part of the buyers with the fact that the Canadian certificate is final.

Q. Well, I notice statements from Hon. Mr. Hamilton and I think from Dean Rutherford, to the effect that there are several statements from Old Country buyers that they think they should have an appeal board.—A. I have talked with most of them personally and I have not had that suggestion from any of them.

*By Mr. Ross (Moose Jaw):*

Q. They arbitrate a great many cargoes from other countries where they do not have a certificate, whether they think it is right or not, they take a chance?—A. Yes.

*By Mr. Millar:*

Q. In most other countries they have an appeal?—A. They have from Australia and Argentine, but the buyer will arbitrate and try to make it stick if he can. They are very, very careful dealers.

The ACTING CHAIRMAN: I would suggest we let the demand come from them, and not from us.

Mr. MILLAR: The demand has come from them. I can show you several statements where they think they should have an appeal board. I am inclined to think that Canada and the United States only sell on certificate final.

The WITNESS: We never had any demand for it in our marketing experience.

Mr. GARLAND (*Bow River*): I do not think a demand on their part would justify us in doing that either.

*By Mr. Ross (Moose Jaw):*

Q. Mr. McIvor, we were speaking of barley a few moments ago. Do you think there would be a good market for malting barley from Canada if we kept our different classes of malting barley separated as to grades?—A. I must confess, Mr. Ross, that I have a very full report here from Mr. Bredt and Professor Harrison, but I have been so busy that I have not had an opportunity of going over it thoroughly, and without having that information from the report, I would rather not answer the question.

Q. Do you export very much barley?—A. Yes.

Q. Through your organization?—A. Yes, we export a fair amount.

Q. It is practically all used for feed?—A. Mostly.

*By Mr. Millar:*

Q. What is the factor in wheat, since Mr. Garland has raised the question of protein?

Mr. GARLAND (*Bow River*): I apologize, Mr. Chairman.  
[Mr. George McIvor.]

*By Mr. Millar:*

Q. Is not strength the factor mostly demanded by the British buyer for Canadian wheat?—A. Yes.

Mr. MILLAR: Which is practically the same thing.

Mr. DONNELLY: I move we adjourn.

Mr. Ross (*Moose Jaw*): Mr. Chairman, before we adjourn, I think we ought to thank Mr. McIvor for his evidence given to-day. He has been at it practically all day, and has given us a lot of very valuable evidence.

Some MEMBERS: Carried.

The Witness retired.

The ACTING CHAIRMAN (Mr. Brown): Gentlemen, we will adjourn until Monday, when we will have Mr. Steele, and on Tuesday we will have the Board of Grain Commissioners.

The Committee adjourned until Monday, May 20, at 11 o'clock a.m.

Q. What  
of protein?

Mr. GARLAND (

[Mr. George McIvor.]



Q. Who  
of protein?

Mr. GARLAND

[Mr. George McIvor.]

16 October  
26 Parliament of  
SESSION 1929  
HOUSE OF COMMONS

## MINUTES OF PROCEEDINGS AND EVIDENCE

OF THE

## SELECT STANDING COMMITTEE

ON

## AGRICULTURE AND COLONIZATION

RESPECTING AN ORDER OF REFERENCE,—Re Grading  
and Inspection of WHEAT

No. 20

MONDAY, MAY 20, 1929

**WITNESS:**

Robert C. Steele, Grain Checking Department, Saskatchewan Wheat Pool.

OTTAWA  
F. A. ACLAND  
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY  
1929



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MONDAY, May 20, 1929.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock a.m., Mr. Glen presiding.

The ACTING CHAIRMAN: Gentlemen, Mr. Steele is the only witness here this morning.

ROBERT CRAWFORD STEELE called and sworn.

The ACTING CHAIRMAN: Now, Mr. Steele.

The WITNESS: Mr. Chairman and members of the Agricultural Committee; it has been intimated to me that you would first care to hear the position that I hold and the work of the Department for which I am responsible. By the way, if no one has any objections, I have some notes here that I will probably have to refer to from time to time. It is rather difficult, not being used to this, to give it from memory, although you may know what you are speaking about.

For the last four years I have been in charge of the Saskatchewan Pool Grain Checking Department at Winnipeg, and a member of the Board of Grain Appeals at that point, for eighteen months or thereabout assisting the Grading Committee of the three western pools when called upon, and for the last five months attached to the Saskatchewan Royal Grain Enquiry Commission, in a grain grading advisory capacity. The Department for which I am responsible is stationed at Winnipeg. We have a branch office at Moose Jaw, and where necessary we station a man at Saskatoon, when the government terminal at that point is being filled up.

During the last year the Central Selling Agency of the three pools has established a checking department at Fort William, and two of our Saskatchewan grade checkers are down there at present. We have eight men employed in checking the grades at Winnipeg, one at Moose Jaw, and three at Fort William, at the head of the lakes. The duties of our department are to check the government grading on all Saskatchewan pools grain inspected at primary inspection points, and that is on the probe sample, the original initial inspection sample, and to check the unload samples of all cars on the automatic sample which is taken at the unload in pool terminals, or if unloaded at other terminals, where no automatic is installed, on the official government sample. In addition to all this checking of the grades—I might say that it takes us actually less than half of our time—we have to deal with complaints of the country shippers on all grading questions, all grading and separation questions, and to carry out the instructions of the shippers, when they call for reinspection, appeals and so forth, on their car shipments, and also attend country meetings in the winter time and country fairs in the summer, explaining the present grading system and dealing with complaints.

When a car of Saskatchewan Pool grain comes forward to the initial inspection point, it is sampled and graded by government inspectors, of course. After that inspection is completed we secure the samples and the inspection certificate given for those samples, and go over all those samples with a view to securing a better grade for the shipper, if we are not quite satisfied with the grade, or if there is any chance of having the grade raised. We take back to the Chief Inspector possibly eight per cent of our total inspections, if in our opinion there

[Mr. Robert C. Steele.]

is a chance of being raised on reinspection or appeal. We can take these to the Chief Inspector himself, to the Assistant Chief, or to the Chief Departmental Inspector, or any one of the three, or all three; there are no restrictions whatever upon us. We have the fullest access to the government inspectors, when we call for reinspection. The inspector when we take back samples will raise the grade on any grain which he considers worth a higher grade than the deputy inspector has placed upon a car. Possibly two per cent of the total is raised; the balance is reinspected at Fort William on the automatic sample taken at that point. The first sample which is reinspected is the probe sample, the next sample reinspected is the automatic sample taken at unloading, where it is possible to secure it. We secure a certain number, probably one and one-half per cent, raises of grades, or lowering of dockage on the unload sample. That seems comparatively high, in view of the fact that the Chief Inspector has examined the original sample taken from the car and it can only be, in my opinion, explained by the installation of the automatic samplers, which have proved the variation of the unload sample from the probe sample.

After the Chief Inspector or his Assistant at Fort William has reinspected the remaining samples which we could not raise in Winnipeg, has changed those which he was able to change, and if we are still satisfied that the grade should be raised, those unload samples are sent back to Winnipeg, and the Chief Inspector himself or his assistants, have another chance to look at the sample from that car, the unload sample instead of the probe sample which he has originally examined. We secure a certain number of raises on that sample which is sent back, and the appeals on payment of three dollars are placed before the Board of Grain Appeals, and we secure half of one per cent of raises in grade, that is, half of one per cent of the total inspections. As well as the Pools checking these cars at unload, the Government Inspectors at the unload point also check dockage and grade, but not on every car that is inspected. And as a department we are satisfied that the producers' interests would be more fully protected if every unload inspected was re-checked by the Government Officials themselves at unload; that the original Inspection Certificate at the primary inspection point be made provisional only, and that the final grade be established at unload.

I did not mention much about the re-check at unload. I forgot to mention that regardless of those cars which we call re-inspection on, our staff at Fort William examine all unload samples and call re-inspection on those which we possibly might not have called it on before. They are able thus to catch those cars which we cannot catch due to the fact possibly that the automatic sample is of better quality than the previous sample which we had inspected.

After taking what action we consider necessary to protect the shippers' interests, we also take whatever action the shipper himself considers is necessary to protect his own interests. That is, regardless of the fact that we consider the grade is properly placed, the shipper himself might not be satisfied and might give us instructions to call a re-inspection or appeal. While many of these shippers' requests reach us with the bill of lading there are a great many of them which do not reach us until the car has been unloaded and the identity lost. In this latter case the shipper has no legal right to re-inspection or appeal; but we can usually comply with his request by getting the permission to appeal. But our producers would be better satisfied if the unload samples were preserved for thirty days with the right of appeal.

In the course of our work we notice that the inclusion of an additional grade between 3 Northern and No. 6 would be of advantage, because in many cases a man's grain will just lose a grade by a narrow margin and will be placed in a lower grade with a disproportionate lowering of the price. We consider that in adding another commercial grade the price spread will be narrow.

[Mr. Robert C. Steele.]

and the loss of these individual shippers, whose what we call line wheat would get the lower grade, would not be so great.

There also is a great deal of dissatisfaction, or has been particularly in the last two years, in the case of a man whose wheat contains only 14.6 per cent moisture having to accept the same spread in price of the low straight grade as a man whose grain has 17 per cent moisture. The statutory division of tough grain into two classes would take care of that situation.

The statutory definition of 3 Northern, in our opinion, permits of too great a variation in the quality within the grade. And also Nos. 1 and 2 C.W. Amber Durum permit inclusion of other varieties which are inferior in milling qualities, Mindum and Kabanka.

In the course of dealing with complaints of shippers verbally or through correspondence, we noticed a great many cases where a shipper, shipping two cars of the same grain, has received two different grades at different times. We also have come across complaints of a man receiving a different grade at one inspection point from that received at another for the same type of grain. We consider this is quite a cause for dissatisfaction in the community, but we also feel that it is unavoidable unless there can be greater co-ordination between inspection points and greater supervision over the Deputy Inspectors; because, as I was saying a while ago, there is somebody appointed to call for re-inspection on undergraded cars, but there is nobody appointed to call for re-inspection to have a car or grain lowered in grade. And even when a car is, well, not considerably but clearly below the line of one grade and has received a higher grade, there is no representative of the producers who is going to take it back to have the grade lowered, in spite of the fact that he has full knowledge of the trouble it will cause dissatisfaction back in the country.

We have many requests during the course of the season, from shippers who have cars of mixed grain, Nos. 1 and 2, that is mixed wheat and oats, or oats and wheat, for separation and for grading on the basis of that separation. There is no provision made for this separation, in the Act; but we are usually able to comply with the shippers' wishes, but not in all cases. We have been refused separation on mixed grain Nos. 1 and 2, in spite of the fact that the shipper was demanding it. As I said, there is no provision in the Act compelling the terminal elevator to make these separations, although many of them are willing to do it.

We also have requests for the separation of wheat and wild oats, not necessarily wheat which was graded wheat and wild oats, but wheat containing 15 or 16 per cent wild oats. There is no provision in the Act for making the separation. Shippers are of the opinion that wild oats are worth cash money, and they receive screenings for it. They are perfectly satisfied that their wild oats are worth a great deal more than they are receiving in the initial settlement.

*By Mr. McMillan:*

Q. Do you think they are?—A. I know they are.

Another thing which we find trouble with although not much, is the special bin sample box being sent in to the Chief Inspector, in accordance with Sections 158 and 159 of the Canada Grain Act, considerably later than the fifteen days specified in the Act. In very few cases, I believe, but in a very small percentage of cases are those specimen cases sent in for comparison under the Act, and we consider that thirty days is plenty of time for the farmer to find out the grade of his car and have it sent in to the Inspector. We have had a great many cases where an elevator company objected to settle on the findings of the Chief Inspector because those sample boxes came in late.

By the way, there is one thing I forgot when I was talking about our duties in Winnipeg. I forgot to mention that we also grade all agents' samples which are sent in to us for grading and advise the agent of the quality within the

[Mr. Robert C. Steele.]

grade, and also all farmers' samples which are sent in to us in paper envelop samples for grading. In addition to that, we check the Government grading of all two-pound samples which are sent to the Chief Inspector subject to the inspection grade and dockage.

Now in our checking of cargo samples, we find a lack of uniformity in the quality within the grade of cargoes when they are shipped out of terminal elevators, as witness the fact of the number of cargoes turned down by the Government Inspection Department this last season. Some will be below the line below the standard, or probably will be around about the standard, and some will be slightly above, and others will be considerably above.

On checking cargoes for the Royal Grain Inquiry Commission at Calgary last week, I came across two cargoes which were put out by a private terminal elevator as No. 4 wheat. The inspector in charge refused a certificate of No. 4 in both cases. One cargo had been placed before the Board of Grain Appeals in Calgary and the elevator sustained in its grade of No. 4 wheat; and it was shipped out as No. 4. The other cargo which had been refused a certificate by the inspector in charge out there was not appealed by the terminal concerned, but was unloaded in these big boxes or sacks,—at Vancouver they have either to use boxes or sacks to unload, and in this case they unloaded in boxes, in the ship's gear.

*By Mr. Millar:*

Q. In this case was it a public or a private elevator?—A. A private elevator in both cases. They unloaded it at the Lapointe pier into railway cars and transferred those cars back to the elevator again and unloaded it. Now that method of unloading due to the fact that there is no unloading leg at Vancouver, would probably explain the fact that the average cargoes at the port of Vancouver are considerably above the standard. The fear of having a cargo turned down, with the loss of the expense caused by having it turned down would possibly have some effect upon the quality of the cargoes.

We are of the opinion that if a higher standard had been used, something similar to the 75/25 suggested by the three western Pools and the Saskatchewan Royal Grain Inquiry Commission, there would have been no chance of either one of these cargoes going overseas graded No. 4 wheat. They both contained considerably too much frosted and green for straight No. 4; they also showed quite an evidence of badly smutted kernels, and the Government Inspector was certainly justified in refusing the certificate on those two cargoes of wheat, although one of them received the certificate from the Appeal Board. I have not seen any of the members of the Appeal Board or the Chairman since, as I have just come back from Vancouver yesterday.

*By Mr. Coote:*

Q. You would then differ with the Appeal Board with regard to that one cargo?—A. Yes, I would. But when coming to a higher standard for cargoes, it would appear that any government or public terminal would require a certain amount of protection, and it has been suggested that all terminals might be operated under one form of license, and be under the control and supervision of the Board of Grain Commissioners; that all grain be registered by the Board inwards and outwards by grade as well as by weight; that warehouse receipts be issued by the Board only; and that returns be made to the Board, as is at present done by public terminals and subject to the same regulations now in force for public terminals, such as periodical weight, forfeiture of overages in weight, and acceptance of all grain offered for unloading. This would permit all terminals to ship out a uniformly higher grade of grain, and would give the Board of Grain Commissioners a thorough and adequate check for any mixing that might be done in any terminal. There is no question about the harm there is in some kinds of mix,

because when very badly smutted grain gets into a cargo of straight grain it is going to do harm, or when rejected mixed heated, or something like that; but with an adequate check like this installed there could be none of that.

*By Mr. Millar:*

Q. In case of smutted wheat, would you make any exception with very small quantities?—A. I would make exception of any quantity that you could see. I will say this, though, that there is very little smut tagged grain getting in. Small quantities could get in, in a reasonably sized cargo, without affecting the quality of the flour, without the taint of same being noticed in the flour, and as long as it is not noticed I cannot see any harm that it has done to the grain.

*By Hon. Mr. Motherwell:*

Q. As long as you can see it, or smell it?—A. As long as you can see it or smell it, it will harm.

*By Mr. Donnelly:*

Q. Would you mind explaining that running of the elevators again?—A. They should be operated all as terminal elevators, not as either public or private; they are all terminal elevators, privately owned if they want to, or publicly owned, if they want to. I will read that over. All public terminals, or all terminals might be operated under one form of license only, to be under the control and supervision of the Board of Grain Commissioners in that all grain be registered by the Board, inwards and outwards. Right there, you see, the Board of Grain Commissioners registers the grain in public terminals inwards as well as outwards. That is the difference there would be, that is, there would be supervision by the Board instead of any outside authority.

*By Mr. Ross (Moose Jaw):*

Q. Just on that point, Mr. Steele, at the present time they register in and out as to grades?—A. And weight.

Q. And they are not allowed to ship except the amount that is registered in of the grade?—A. Well, that is adjusted at the end of the season if there are overages. I would rather you ask Mr. Fraser how they deal with that; but that is adjusted at the end of the season. There are certain adjustments necessary, because they certainly do not ship out exactly what they ship in. As I say, they would be under the control and supervision of the Board of Grain Commissioners in that all grain would be registered by the Board inwards and outwards by grade as well as by weight, and warehouse receipts issued by the Board only. Returns to be made to the Board as is at present done by public terminals and subject to the same regulations now in force for public terminals, such as a periodical weigh-up, forfeiture of overages in weight, and acceptance of all grain offered for unload. I have put that in my own wording.

*By Hon. Mr. Stewart:*

Q. You would put private terminals under the control of the Board of Grain Commission, and under the same provisions as public terminals are operated?—A. Not as those are operated at present, no, not entirely. I have left provision there for mixing to a higher standard. You see, I brought in the standard first, and the necessity of having uniformity of operation.

Q. That is the only difference though?—A. Yes, that is the only difference.

Q. You fix a standard for outturn?—A. All terminals would have the same outturn standard if they were compelled to unload all the grain, and were not permitted to divert. As a private terminal operator, if I were getting a low quality of the grade, I would naturally divert to the public elevator. If all terminals were under the one license, then none of that could be done; there would be no possibility of that being done if all terminals were compelled to unload.

Q. You say, though, that you do not follow that system with the private terminal; then diversion would be to the public terminal in view of the fact that you have raised the standard of outturn. Is that right?—A. Yes.

Q. How does that come about?—A. I have possibly not explained it very clearly. If I were an operator of a private terminal and were compelled to comply with the higher standard, I would naturally divert to the public terminal which must take in any grain offered, which cannot refuse to take it in. I can refuse to take it in under the present Act, the public cannot.

*By Hon. Mr. Motherwell:*

Q. That is what is being done?—A. It has been done.

*By Mr. Vallance:*

Q. If you are going to forbid that being done, and if you have got to take in the minimum of the grade, how then are you going to get a standard? You are diverting it now, but you are not going to be allowed to divert, if we adopt your policy, so that you must lower your standard in order to get your grain out?—A. I do not quite see that.

Q. You are operating a private terminal elevator; along comes a flow of grain, and you, as the operator of that private terminal, have the right to divert it for some reason. Your reason is that you are getting too much of the minimum of the grade. Supposing that right is denied you and you must take it in; you cannot then ship it out to as high a standard as you otherwise would have done if you could have diverted it to the public terminal?—A. As I otherwise would have done? Oh, yes, emphatically so. As the Act stands at present I do not have to mix up to any standard above the initial standard that is set. I can divert all my lower grades to the public terminals.

*By Mr. Ross (Moose Jaw):*

Q. Supposing you are a line elevator company and you get a load of low grade stuff, and you shoot that to someone else's elevator, and you shoot to your own elevator the good grain, how are you going to get away from that? You say that the public elevator has got to take that grain in; how could you do that? You mean you could order the poor stuff to a certain elevator?—A. That can be arranged quite easily. The Board of Grain Commissioners could take care of that situation without any difficulty whatever.

Q. If they can, that is what I am looking for?—A. Oh, yes.

*By Mr. Donnelly:*

Q. Suppose, for instance, that a public terminal has more cars than it can handle. The railway company goes to them and says, we want you to unload those cars. There may be a thousand or five hundred there, piling up in the yard, and the railway company says to them, if you do not unload them we will ship them to some other point. If you are going to compel those elevators to unload all the grain in those cars, are we not liable then to have a blockade?—A. That would only apply, Dr. Donnelly, as long as they had room. You could not, of course, force them to unload cars if they did not have the room.

Q. In that case, would they not say, "All right, you must take those cars and pick them out?"—A. As a matter of fact, the railway company comes in and takes fifty cars; they take them just as they come. They are not going to do that, because it costs too much money shipping them back and forth. It would dam the flow of grain.

Q. Yes, if you compelled them to unload everything?—A. Oh, yes. I just have in mind a general idea without going into too much detail.

*By Mr. Lucas:*

Q. If this 75-25 outturn were adopted it would materially increase the standard above what is going out now at the present time, in your opinion?—A. Yes, it would materially increase it.

Q. Well, then, if you were compelled to accept all the grain coming in, whether it was under the grade or not, would you be able, as an operator of a terminal elevator to live up to the 75-25 standard?—A. I believe so.

Q. You think you would have no difficulty?—A. Yes.

Q. Assuming they are all controlled alike?—A. Yes. I would be perfectly satisfied to do it, and would guarantee to do it.

*By Mr. Coote:*

Q. You said in your answer to Mr. Ross something about the diversion of the good grain to the line elevators. Just what had you in mind?—A. Just forbidding the diversion of cars; if you forbid the diversion of cars at the initial inspection point; you cannot divert them after they get to Fort William.

Q. When the car is billed from the country point is it billed to some certain terminal elevator?—A. Yes, in most cases.

Q. Is it in all cases?—A. No. Some of them are billed to order and advice, in which case they go to a public terminal usually.

Q. Suppose they ask to have the car billed to their order and advice, then could they not advise the railway company at Winnipeg where to send each particular car?—A. Yes, but the difficulty they would be up against there would be this, that there are very few country agents going to be able to say—I presume you mean the country agents would notify the railway company in Winnipeg—when the grain is very low in grade, sufficiently low to make it profitable to divert it to someone else.

Q. Could not the company, or could not the agent say, when the car reached Winnipeg, say to the railway company the terminal to which this car should go?—A. It could be arranged.

*By Mr. Ross (Moose Jaw):*

Q. It could be done on the cars shipped for orders. I realize that there is a charge against that?—A. Oh, yes.

Q. There is a charge by the Inspection Department, or the railway companies, one or the other against a car shipped for order?—A. Yes.

Q. But that charge is only \$3 per car. Might it not pay them to ship all their grain for order and then divert it?—A. Well, I do not think it will ever be done, or ever could be done.

*By Mr. Donnelly:*

Q. Do you think if the 75-25 standard were adopted that there would be as much of this low grade stuff mixed into wheat, that is off grades going in, as we have at the present time?—A. If there was a 75-25 standard?

Q. Yes.—A. No, I do not. A good deal of these off grades can be put in shape. As I mentioned a little while ago, if it is just slightly smutty, and mixed in in such a proportion that it will not taint the cargo, or cannot be noticed by smell, or cannot be noticed in the flour when it is milled, that would not lower the grade to any appreciable extent. Or if a car of grain was in there rejected for barley, we will say, a great deal of barley, according to the types, can be cleaned out, and can be cleaned out well. That rejected car could be cleaned up, and the grain would be really above the average of the grade in many cases. If you were to take and put one car of rejected for barley, say containing 100 bushels of barley, in with nine other cars of straight grain of 3 Northern, after cleaning it, it does not change the composition of the barley;

[Mr. Robert C. Steele.]

there are still 100 bushels of barley in the ten cars, but if you cleaned it up you could make it so that it would not do any appreciable harm, but then there rejected with coal. Of course, there is not much of that and it can be cleaned and put into a straight grade, but where this comes from mixed heated or condemned or rotten kernels—cockeral can be dealt with—there is not much of it nor of ragweed—badly sprouted and slightly sprouted—there is another case where it can be added without any appreciable harm, in my opinion.

Q. Is there much scrubbing for smut, at the head of the lakes?—A. There might be, but I do not know of it, to my personal knowledge. I understand that there is none at all.

Q. One man told us that there was, but all the others have said that there was not.—A. I would not say that there was not, but I have no personal knowledge of it.

Q. Would there not be considerably larger amounts of off-grade stuff to be handled?—A. Yes, there would.

Q. Do you think you could get a market for it and sell it as off-grade stuff?—A. Well, a great percentage of it, yes, at a price. It might not be as good as you receive for some at present. The tough and damp can be conditioned now, and the slightly tough can be mixed in without any appreciable damage.

Q. We have the two suggestions, one of which is the 75-25. The only difficulty we see with it is that the elevators running as public elevators would never be able to keep up with the standard. In fact, Mr. Fraser said that they never would be able to.—A. I believe that.

Q. Take the Robin Hood Mills at Moose Jaw; in what position would they be?—A. They would be in the same position as a terminal elevator.

Q. But they come and just pick off the tops of the cars and mill that, and put the rest back in the elevator—then they would not be able to keep up to the 75-25? Supposing the Alberta Pacific shipped in one hundred cars and they say that the Robin Hood mill could pick out fifteen or twenty, and they picked out the tops of those cars and put the rest into their elevator at Moose Jaw.—That might be a difficulty but I doubt if it could be consistently done, from my knowledge of the operations of these terminals and my general knowledge of the grain business.

Q. But there is a possible difficulty there?—A. There is a possible difficulty which could also be governed by the Board of Grain Commissioners.

Q. We feel as if we left a hole there—A. And somebody would jump through it.

Q. —as big as a pin, and in time, in two or three years, you could drive a horse and wagon through it.—A. I believe that situation could be controlled by the Board of Grain Commissioners if they cared to, because we sell a great deal of grain to these mills, and we do not permit them to do that. I do not see why they should be permitted to do that, in the public interest.

Q. I can hardly see how the Board of Grain Commissioners could step in and prevent these men from picking out the tops of fifteen or twenty cars and saying, "We will take that to the mills and will let the rest go into the elevators".—A. Could they not make a regulation to prevent them from seeing the sample?

Q. You can hardly do that. If you do, you will keep all the pool people from looking at your samples.—A. No, not necessarily. We see the samples a day after they are inspected. The mills, in order to divert these cars, must see these samples as soon as they are stamped, and must have a representative with the men who are sampling the cars when the seals are broken. There is no logical reason why any of these men should be permitted in the railway yards. We do not go in there.

Q. You see the sample; afterwards?—A. Yes.

[Mr. Robert C. Steele.]

Q. But if these people are buying they have the right to see the samples.—A. After it is graded, but they cannot see it in time without seeing it at the cars, and the cars have gone forward; that is, unless they would bill it directly to them and held it over.

Q. If it were billed directly to the storage elevator at Moose Jaw and they came and took so much out of it—A. I will tell you. I think it would be very improbable. I am hardly in a position to give the details of preventing that—

Q. I can see the possible difficulty arising in that case, and the same would happen at Calgary, Edmonton and Saskatoon where we have our public elevators and our mills as well.—A. The mills would be subject on the grain shipped out of the mill to the same standard as the terminals, due to the billing of these cars to the mill and would it not be possible for those cars which are forwarded to be subject to the same standard? They are billed to the mill in the first place. The government inspector, when the car is shipped out of the mill, grades the car at the point of shipment. If the cars were forwarded, why could they not be graded again?

Q. They would. For example, if they were shipped to Moose Jaw they inspect them in the mills, and the miller picks out fifteen cars, say, out of a hundred and says that he will ship the other eighty-five to the public terminal, and let the grain be stored. The same inspector then goes over it again and if he has inspected it once, and graded it as No. 3 Northern, it would be pretty hard to see how he could grade it lower the next time.—A. They would be subject to the same standards as if they had shipped it out of these bins. They are mill shipments to the terminal elevators.

*By Mr. Ross (Moose Jaw):*

Q. Do you think they would be shipped on the 75-25 standard?—A. They would have to be.

*By Mr. Lucas:*

Q. Would that not prevent the Alberta Pacific from allowing the mills to take the tops, because when they went to get their grain out of the terminals they would not come up to the 75-25 standard, and they would be the loser. They would not allow anybody to skim off the high grades.—A. There would be a tendency that way.

*By Mr. Donnelly:*

Q. The public terminal would be the one to get the certificate for the Alberta Pacific. For instance, in the terminal at Moose Jaw it would be pretty hard if you put in a No. 3 and they graded in No. 3 and there was no mixing, to see how they could refuse to give them a No. 3 when it came out again even if it were the minimum.—A. They could not, but these cars went in there after getting the certificate. They already have a certificate when the government inspection department at Moose Jaw shows No. 3 Northern, but it is the mill's grain to all intents and purposes. The mill ships out 85 cars to the public terminal, and they would be graded again, and when they are graded again from any other terminal or any mill they are subject to the 75-25 grade.

*By Hon. Mr. Stewart:*

Q. I would like to get your opinion about this matter: if we increase the standard of the outgoing cargoes which after all is protecting the standard of the grade we are shipping to our customers where the bulk of our wheat goes, does that not have the effect of regulating all the internal operations on the wheat—if we insist on the standard of the grade going out showing a good fair sample of that grade? It appears to me from listening to the evidence that this would pretty nearly cure a whole lot of the difficulty of skimming by the mills, if we

[Mr. Robert C. Steele.]

insist that the elevators must live up to that standard, and see to it that standard of that grade gets to the Old Country or our foreign purchasers? that is so, have we not cured a great many of the difficulties complained of? A. That stands to reason.

Q. If not, we as a Committee would like to know if there is any other thing which is quite so important as increasing the standard which goes out in our case goes to the purchaser?—A. That is, in my opinion, the most important thing.

Q. Why I ask that question is that we have talked a great deal about the mills skimming. I am not so concerned about that, if we keep the standard our wheat up in the markets which will purchase it, but if the private or public interests engaged in the grain business cannot ship below that standard then we are giving assurance to the foreign purchasers that they are getting a fair sample of the grade of grain they are buying.—A. Yes, they are paying for what they are receiving, and they know it. That is my opinion—a real standard and rigid enforcement.

*By Hon. Mr. Motherwell:*

Q. Will you just elucidate the difference between the 75-25 and what has been in vogue, so Mr. Symes says, for the last four years, that is, 60-35-5? Then we will be making some progress about what is desired in this particular respect. What is the essential difference between 75-25 and what is in force now—I don't mean in force by law, but by Mr. Symes as being necessary in his estimation in order to keep up the quality of our goods?—A. Mr. Symes states, does he, that that standard is necessary in order to keep the quality of our outgoing grain up?

Q. Yes, he has been using it for four years.—A. Does he state that he compels it all to come up to that standard?

Q. I don't know whether he does or not. The weakness of the system lies in the fact that the law is not behind him, but in the practising of it and the carrying out of it, in spite of the higher standards, a great many complaints have come to us from the old land about the last three or four crops. Is there any difference between those two formulae?—A. If he were able to keep the cargoes up to the standard, such as he stated to the Saskatchewan Royal Grain Inquiry Commission—

Q. And here.—A. Here too? As I say, if he keeps all the cargoes uniformly up to that standard, and was able to keep them up, and did, I am sure the complaints would have been nothing.

Q. If the standard is so important—and I think it is—why, here we have a standard which was recommended by the Turgeon Commission which provided the same standard for the mixer as it did for the farmer, and what the farmer wants to know is, why he should have to comply with one standard and the mixer comply with another. The Turgeon Commission recommended a solution of that by the insertion of this paragraph:—

"All grain inspected out of private elevators or out of special bins as aforesaid shall be required, in order to receive a grade, to be equal to the general average quality of any similar grades passing inspection at the initial official inspection point, and shall be properly cleaned."

That means, to a certain extent, Winnipeg so far as the head of the lakes is concerned. It might also be graded at other points, such as Moose Jaw, Calgary and Edmonton. They recommend that, and it would make it very much easier to explain to the farmer that he has to comply exactly with the same standard as the mixer, and that the mixer has no edge on him because he must comply with the same standard as the farmer.

Now, when I begin to explain that the standards are not the same, I admit that I have to go carefully, taking the 75-25 and the 65-30-5. Perhaps I do not understand myself, and I will probably make it worse before I pass it on

[Mr. Robert C. Steele.]

somebody else. Can you not simplify it for us?—A. Well, there have been suggestions alright, but I do not know that they would simplify matters. I have had suggestions put up to me, that we take a certain percentage of the standard of the higher grades, that is, the minimum higher grade, and make the cargoes' standard average lower.

Q. It is quite a complex problem?—A. I was going to mention what you said about the farmer complying with the same standard as the mixer. That is just about exactly what he does to-day.

Q. He does not think so; why not make it that way, if he does it?—A. There would be no benefit, if it were made that way.

Q. Benefit to whom?—A. The benefit of the shipper; there would be a benefit to the mixer.

*By Mr. Donnelly:*

Q. The suggestion was the average going through Winnipeg; you could not make the farmer do that?—A. You could not tell the farmer that the mixer was complying with that same standard as he was, because the farmer must come above the minimum; the mixer must come above the average.

Q. To the average?—A. To or above the average.

*By Hon. Mr. Motherwell:*

Q. The average coming through Winnipeg has for many years been taken as being the proper average to go out on the lakes. I am told that conditions are now different. I admit that they are very much different, especially the condition of the wheat going out. But that was carried on for many years, with the average out-turn of the mixer the same as the average out-turn of the farmer. That is much easier to explain than going into all these compounds, interesting as they are.—A. There are things that are hard to explain but which are clear in the person's own mind.

Q. But we are not experts. I wonder when mixing was started; were you in the grain business before you went into this pool business?—A. In the country end of it. I have been more or less connected with it since 1902.

Q. I am talking about the mixing end. A certain standard has been put on, after it has been graded by a government official. Do you know when mixing started?—A. No, I do not remember.

*By Mr. Donnelly:*

Q. How long have you been in it?—A. I started in 1902, in Manitoba, as assistant inspector.

Q. How long have you been connected with it outside country elevators?—A. For the last four years.

Q. Just the last four years?—A. Yes.

*By Hon. Mr. Motherwell:*

Q. I was quite pleased to hear your remarks about the objectionable practice of mixing smutty grain in with the straight grades. That is very objectionable in the opinion of most people who know the taste and smell of the smutty grain. I was wondering where you would stop; it is said a little barley here or there would make no appreciable difference?—A. I meant to clear it up, to clean it as far as possible.

Q. You cannot clean smut without washing it?—A. No. Even washing it will still leave a taint.

Q. Do you know any companies or firms that wash or clean the smut?—A. No, I do not.

Q. Then why take the chance? You know there is an awful temptation to a person, if he gets his nose in he wants to put his head in, and then his shoulders and it goes on from one thing to another. It is a temptation. I do not say that

it applies to the mixer any more than to anybody else, but that is the way goes, a little of this, that or the other. Now there are 550 off-grades?—A. They do not amount to a great deal in the aggregate, only 5 per cent.

Q. But you know the old Scotch saying, "Many mickles maks a muckle." We have had mention of 1,500 grades. Add an appreciable amount of those something else and they will make quite a factor when a man comes to analyze it on the other side, when he takes his sample to a chemist.

The ACTING CHAIRMAN: What is the question you are asking the witness?

Mr. Motherwell?

*By Hon. Mr. Motherwell:*

Q. The question is whether or not all these little, so-called unappreciated little bits of blemished grains amount to quite a bit when the cargo gets into buyer's hands?—A. I do not think so, if properly regulated. If the elevators were obliged to make proper returns to the Board of Grain Commissioners, a representative of the Board at that elevator would know exactly what is coming in, and would know the proportions in the elevator, to a greater or less extent, and they know just about what is going out in these cargoes.

Q. You mean, as one witness said, if it were not dumped in?—A. There is no excuse for dumping.

Q. One witness said if it were done scientifically, it could be put into these cargoes in such quantities and in such a way that it would be indistinguishable?—A. Yes but there is such a thing as not being indistinguishable. When you more or less carefully look over a sample, it is quite distinguishable. If you have knowledge of the fact that there is some objectionable damaged grain in the car, and you are looking into every car for these damaged kernels, you can pick them out, all right.

Q. You think you can pick out this white quality spring wheat from Amber Durum?—A. Yes, unless there was a little in there and you were not looking for it. The definition permits a certain amount of white spring in Amber Durum depending on the grade.

Q. Is it permissible to put spring wheat into Amber Durum?—A. Yes, the grade permits a certain percentage of spring wheat in Amber Durum.

Q. How much?—A. Five per cent for No. 1 Durum, 10 per cent for No. 2 and 15 per cent for No. 3 Durum. I believe I am correct in that.

Q. And just mix to that. Mr. McIvor gave that evidence the other day?—A. Why would they mix to that? That is, Spring Wheat by itself, and Durum by itself, are worth more money to the terminal than if they mixed 15 per cent of Spring Wheat in Durum.

Q. The first mix I saw at a terminal, 10 per cent of Spring Wheat being put into No. 3 Durum?—A. It is possible the price of that wheat was very low.

Q. Is it good business, putting that wheat and bread wheat together?—A. No.

Q. It is not good business for us?—A. No.

Q. Nor for the buyer?—A. No.

Q. Nor the State?—A. No.

Q. I see this document got out by the Board of Grain Commissioners indicates that there were more than 500 off-grades, grades with some blemish on them, with interminable characteristics, all kinds of blemishes and all kinds of compounds, and all kinds of complaints of different things being wrong. Mr. McIvor was quite frank about it. All these off-grades went out in some form of mix except about one million bushels that had to be handled on their own merits or demerits?—A. Yes.

Q. That million would be the worst to work in?—A. Yes.

[Mr. Robert C. Steele.]

Q. If he can sell the worst of those, why cannot he sell the others on their merits or demerits?—A. Well, there is always a sale for grain; you can sell it right.

Q. But he has been successful selling the worst by themselves because he could not work them off. He has not all his good grain sold. If he can sell, the worst of them on their merits or demerits, why can he not sell the rest of them, these off grades?—A. It depends on the quantity, the price you are getting; you have a great many of these grades many of them could be cleaned up and conditioned for the straight grades. A great percentage of those could be treated.

Q. And a great percentage are preventable also by the grower himself?

—A. Yes.

Q. But there are some that are climatically brought about?—A. Yes.

Q. The point I want to make is this; can you inform me if it is possible to work all of these off into straight grades, no matter how unappreciable they may be in themselves? How is it possible to work off ten or fifteen of them into that cargo without lowering the grade of that cargo?—A. Take the grade of Rejected 3 Northern, which can by over-cleaning be made a better quality than the average No. 3 Northern, I have seen cases where Rejected 3 Northern could by heavy cleaning be made a better average milling quality than the No. 3 Northern grade.

Q. But here we have 47 heated grades, in this document, all disappearing but seven, column after column of them, and they all disappear but 7. Do you think you could work them in without some appreciable effect upon the straight grade of the cargo you are putting out?—A. I would be against it anyway, in mixing heated grain.

Q. Here are 11 smutty grades disappearing, and here is another lot of musty wheat disappearing. There is a combination all through this. You appreciate the importance of keeping up the quality of our export wheat?—A. Yes.

Q. All the pool officers are anxious to do that?—A. Yes.

Q. That is your statement; but do you not take a risk in practising the other thing, of putting these impure and blemished off-grades into the pure? Do you not take the risk of not accomplishing what you are after?—A. Not such a risk, in my opinion, if you pick what you are blending; if you blend any condemned or smutty wheat, you are doing harm.

Q. There are 132 grades that there is no little hole to work into, and they have to stand by themselves; there are 400 odd of the 550 that disappear and that is a lot. As an expert in grading, is there such a scientific blending or mixing that you can work those into a straight cargo without affecting that straight cargo?—A. Not all of them.

Q. Twelve or fifteen of them?—A. Yes, I would say you could put in 12 or 15.

Hon. Mr. MALCOLM: Would Mr. Motherwell mind asking the witness how many of those off-grades can be cleaned up? I think that is important.

Hon. Mr. MOTHERWELL: The rejected can largely be cleaned up.

*By Mr. Motherwell:*

Q. They cannot all be cleaned up?—A. I would have to go over the list at length and pick them out.

Hon. Mr. MALCOLM: I do not want to interrupt Mr. Motherwell's question, Mr. Chairman, but I think the witness is confirming what other witnesses have said, that while there are a great many off-grades, they are subject to treatment, which would make them just as good as if they were not off-grades.

[Mr. Robert C. Steele.]

*By Hon. Mr. Malcolm:*

Q. Can you give us the percentage of those off-grades that could be cleaned up, Mr. Steele?—A. I am sorry I cannot.

*By Hon. Mr. Motherwell:*

Q. Can you clean rejected for rye to any appreciable effect?—A. At times you can.

Q. Do not all rejected for rye and Darnel ragweed go into one grade?—It depends on who is handling it.

Q. It is graded the same?—A. Yes, it is.

Q. And these are almost impossible things to clean up, in order to put them into the straight grades?—A. I would not say that; it is not impossible.

Q. It is not impossible, because they do put them into straight grades; but can they be so cleaned in order to make any man refuse them at the other end to make flour out of them?—A. Yes, I would say a great many, but I have not gone into the figures.

Q. The rejected and toughs and damps can all be used considerably?—Yes.

Q. Would you recommend putting the dried back into these respective grades?—A. It depends upon how much damage has been proved to have been done to it in the drying. At present, I would only handle them under a system which will guarantee that the grain is not damaged by drying; at present would not put them into the grade in which they are put, No. 2 or 3 Northern.

Q. I believe there has been considerable improvement in the drying?—Yes, I believe so.

Q. There would have to be still more before you put them in?—A. I would have to have some more assurance that no harm was being done.

Q. At the present time we have a situation in the wheat world where nobody seems to know very much of what is the difficulty. Assuming that we have too much wheat, which would be the better position to be in, to have a lot of high class wheat with none of these doubtful ingredients in it, on a market like this, or have a lot mixed down to the grade? Which would you dispose of best on this market?—A. There is no question about it that it would be the higher quality.

*By the Acting Chairman:*

Q. Have you any further recommendations to make?—A. No, sir.

Q. You referred, Mr. Steele, to the question of a recommendation regarding sections 158 and 159, with regard to the binning. What were your recommendations? I find in section 158 that special bin has been shipped and inspected; and then section 159 goes on to say that the sample shall be compared with the shipment.—A. The fifteen days was all that I had in mind.

Q. The shipment takes place and the owner is notified as to his grade?—A. Yes.

Q. He has an appeal within fifteen days from that grading?—A. Yes.

Q. Is the shipment retained for fifteen days in order to make that?—A. No, that has nothing to do with the government grading, Mr. Chairman.

Q. Is there any provision in the Act whereby that is kept so that it can be reinspected and graded again?—A. The carload itself is reinspected; but that only deals with the car, that when a country shipper brings his grain into the elevator, the sample is taken in the presence of the shipper and placed in a tin box which should be kept locked by the shipper. Every load is sampled like that. And the box is weighed. And every sample taken is supposed to be the same as in that box; but sometimes it is not; and when the shipper feels that something has happened to his shipment, and that it was not his grain. He then says, I want that sample box sent to the Chief Inspector to see whether or not the identify of my car has been preserved. He has fifteen days within

[Mr. Robert C. Steele.]

ich to do that; but very often the shipper does not receive the notice in  
e.

*By Mr. Donnelly:*

Q. Supposing I have the sample box in there and I come into the elevator  
I say to the elevator man, "Will you ship that box out?" And he goes  
ound to look for it and says "I cannot find it. It is gone." What happens  
en?—A. The elevator company then must settle with the farmer at the  
ade which the farmer shall designate. That regulation is posted up in every  
try elevator in western Canada.

Q. Supposing the box is sent down and it has been mixed up with others,  
d you cannot find out whether it is the box of the farmer or what it is what  
en happens? I have a case where we do not know what became of the box.  
A. I believe it is up to the elevator company to prove. They must produce  
e box. The box is in their custody, and if they cannot produce the box they  
ust settle with the farmer.

Q. Supposing this box is put in there and the box is sent on, it may be the  
ight one or it may be another one. Supposing the elevator man substitutes  
other box, and when it comes in they cannot open it, and they have to break  
e lock.—A. Yes.

Q. Does it not afford an opportunity for the elevator company to substitute  
other box?—A. Yes.

Q. It is quite possible for the elevator man to put the farmer's name in it  
d send it on in the same way?—A. Oh yes.

*By the Acting Chairman:*

Q. Before closing that, the Act provides that the sample shall be sent to  
e Chief Inspector to be compared with the shipment?—A. Yes, that is with the  
ficial sample.

Q. How is it compared? Is it compared with the original total shipment?  
-A. It is compared with the Inspector's sample of the shipment. The wording  
not very clear.

Q. Have you any recommendation regarding the fifteen days?—A. I know  
at fifteen days is not sufficient length of time for many shippers to get their  
box in.

Q. What is your recommendation?—A. Thirty days.

*By Mr. Donnelly:*

Q. Just one thing, in connection with the 75-25 proposed regulation for  
elevators. We were told by Mr. Murray when here, that they never turned  
own any cars at the present time, that they unload all cars they can; and he  
aid that all elevators were doing the same thing. The diverting is done at  
Winnipeg, is it not?—A. Yes.

Q. Now, if the diverting is done at Winnipeg, and I belong to a line and I  
ome in and see my samples at Winnipeg, and I say "We will send this into our  
wn elevator," and send all the bottoms to the government terminals, I do not  
ee how the regulations would prevent that being done, just the same.—A. I  
m perfectly confident that it can be dealt with by the Board of Grain Com-  
missioners if they so wish; but I would not be prepared just now to say just  
ow.

Q. I do not see how you can prevent the diverting by the terminals.—A.  
The original billing can be made of a car, and the car originally billed, say,  
o the U.G.G. terminal, is there.

Q. Our government elevator, then, is going to get none because it is only  
his wheat that is sent by line companies,—only five or six hundred cars sent  
direct to the government terminal?—A. If all terminals were on the same basis,

[Mr. Robert C. Steele.]

there would be no terminal which would suffer except in a short year; but a few would suffer in a short year.

*By Mr. Ross:*

Q. All that you were suggesting in regard to those sample boxes was the period should be thirty days, instead of fifteen, given for the holding of sample, was it not?—A. Yes. It does not amount to anything excepting it saves argument at times.

*By Mr. Millar:*

Q. Speaking of the number of off-grades, in the evidence taken in 1921 read as follows: Dr. McGill speaking to Mr. Serls, then Chief Inspector:—

Q. How many grades have you in the west, Mr. Serls?  
Mr. SERLS: Somewhere about a hundred.

That was in 1925. And then three years later we find them talking about sixteen or seventeen hundred grades. In your opinion has the changed condition climatic or otherwise, warranted that enormous increase in three years from a hundred to sixteen or seventeen hundred? Five hundred and fifty there are in this list which I have in my hands, and others talk about seventeen hundred. A. No, the grades have not been increased to that extent in the last three or four years, but I would take it from that extract, that Mr. Serls did not have in mind these mixtures and combinations, which he could consider as not being grades when asked that question. That list which Mr. Motherwell was reading from Mr. Serls, I am quite sure, four years ago would not consider were grades at all.

Q. If that is the proper interpretation, where do you suppose he made the division? As straight grades, we only have six; and feeds, one and two feed and then the sub-divisions. I suppose it is pretty hard to say what sub-division he took?—A. Oh, yes, he could have taken the straight grades, and the damp and the toughs and the smutties. Take all the ordinary straight grades, and then the damp, mixed, heated, rejected, mixed, fire-burned, and rejected mixed a coal-oil.

Q. You think there would be many possible divisions besides those mentioned?—A. Oh, yes.

*By Mr. Donnelly:*

Q. One remedy which you have suggested had been already brought before us, as to the 75-25. The other remedy which we have thought of was doing away with mixing entirely. If there were no mixing at all except in the straight grades, would our standard outgoing be as good as 75-25 or better?—A. The standard would not be changed at all.

Q. I mean the averages going out?—A. In some of the cases it would be higher, and in other cases it would be lower. I doubt if it could be made uniform.

Q. Why can it not be made uniform? Why do you think it will not be uniform?—A. Well, there are so many—

Q. Is it uniform to-day, with the standard which we have?—A. No, it is not absolutely.

Q. Do you think it would be more uniform with the 75-25? It is admitted that our outgo is not uniform, but do you think it would be more uniform with that 75-25?—A. When you mention the 75-25, I also brought in a rigid enforcement.

Q. We are supposed to have a rigid enforcement of our standard to-day?—A. No, not entirely; because some terminals are to-day shipping grain which they could mix down lower than they do. The Pacific terminals to-day are shipping and not mixing down as low as they could to get to the average.

Q. Will that not be so with the 75-25?—A. No, I think not.

[Mr. Robert C. Steele.]

Q. If we had all our No. 1 Northern or No. 2 Northern, all our straight grades, do you not think that they would be above the 75-25?—A. In some cases they would; but the average of the crop would be about that.

Q. I cannot see yet where there would be a lack of uniformity, and I wanted to understand why there would be a lack of uniformity, if we had it all put in. If we get No. 1 Northern coming in from different districts, you would have some at the top and some at the bottom of the grades, and you might get different varieties or species of grain coming from different parts; but I cannot imagine enough coming in for a boat load at the top or for another boat load at the bottom.—A. I have seen enough coming in in one train load for a cargo, not all, but a good percentage of it prevailing 3 Northern; but uniformly below the average.

Q. Do you not think it would be such a shipment as would have been named?—A. No, I mean a train load of ears,—farmers' grain.

Q. I cannot imagine it coming from the farmers in that way.—A. When I mean farmers' grain, I mean coming from the direction in which the farmers live.

Q. I cannot imagine a train load of wheat coming in from farmers, from any country point, all skinned into the grade.—A. I do not say that, but as a train load uniformly below the average.

Q. The other objection put up to the doing away with the mixing entirely is that there would be trouble getting away with the off-grades. Do you admit that we would be able to sell the off-grades, for a price, anyway?—A. Yes.

Q. And it does not amount to more than five per cent of the wheat?—Some years less than that.

Q. I mean, excluding damps and toughs, it would not in an ordinary year amount to much more than five per cent?—A. I think not, no.

Q. And those would be able to be sold at a price—it seems to me we could sell them at a price?—A. Yes, we could sell them at a price; but it costs money to handle them.

Q. Well, the suggestion was that these should be conditioned and put into one or six other grades, and sold as conditioned.—A. I was not meaning in that respect, but I meant that those would come in in small quantities and tie up space, which in a rush season or a big crop would be needed in order not to interfere with the flow of our grain. It might be more expensive.

Q. The question was that 1, 2 or 3, as thought necessary, be run as hospital elevators, and to keep our public terminals, in fact, all our terminals, all other elevators, to handle grain as straight grades.—A. Well, the condition would be that one year those hospital elevators would have nothing to do, and the next year the condition would be that they could not handle the work, their space would be so much tied up.

Q. I do not see that. If we allow our public terminals to take in our toughs and damps and to condition those in certain years, and then only to take in those rejected in the others; it would practically be about the same every year.

Hon. Mr. STEWART: Why would you send in grain simply to be cleaned to grade?

Mr. DONNELLY: You do not clean to grade.

The WITNESS: Who is going to decide? The inspector at the initial inspection point has to decide whether they are going to be cleaned to grade or not. Then supposing a car goes through. The probe sample is rejected for rye. That would be one of those which would go to the mixing terminal, and in that case the sample was found to contain only one per cent of rye, and it is made a straight grade. There is a little mixup there; where is that car going to go? If you leave it in the hospital elevator it is going to receive a hospital certificate.

*By Hon. Mr. Stewart:*

Q. Why would you send to a hospital elevator grain that simply requires cleaning?—A. Well, in this particular case that I mentioned, the sample contained a sufficiently small quantity so that it was able to go through in the straight grade. It is just that I feel that nothing should be done that would have a tendency to dam the flow of our grain in the big crop year, if it can be avoided, and the same results being secured by any other method.

*By Mr. Coote:*

Q. I want to go back to this question of the standard. I gathered from your statement that you suggest that the higher we make the standard the more uniformity we would have out of the terminal elevator at the head of the lakes, is that right?—A. I do not think I meant quite that, the higher we make the standard the greater uniformity there would be.

Q. In the outturn standard?—A. No, I thought I brought the whole thing together, the standard and the control of terminals, and one terminal license, and returns of grain going uniformly into all terminals, with provision for mixing but compulsion of a higher standard.

Q. Yes, we grant all these things, and then the uniformity that we are going to get is going to be dependent on the standard, is it not after all?—A. Yes, and the enforcement of that standard.

Q. Take it for granted that the enforcement is going to be quite rigid, would it not naturally follow, that the higher you maintain that standard the more uniformity we are going to get from the outturn from those terminals? For instance, you say that the adoption of the 75-25 standard would result in more uniformity than we have now?—A. Rigid enforcement would probably have more to do with it than the actual standard in that case.

Q. Have we not got rigid enforcement now?—A. Well, that sample I mentioned at Vancouver going out as 4 wheat was one case in point.

Q. There must be rigid enforcement when they appealed?—A. Yes, as far as the Inspection Department is concerned there was rigid enforcement, but the Appeal Board had authority to grant a higher grade.

Q. You are not suggesting that we should take that power away from the Appeal Board?—A. I could not suggest that very well.

Q. Your company does not allow any skimming by the mills, I believe?—A. Well, they did not when I was last in Winnipeg. I have not been there for some time.

Q. In 1925, I think it was, when we revised the Grain Act the last time, the Act as it passed the House of Commons contained a clause stating that the grain passing out of private terminals at the head of the lakes should be equal to the average of that grade at the initial inspection point. If a similar provision were put into the Act at this time, do you see any real objection to it; that is, instead of having a standard of 75-25, as it is called here, we should use for the standard the average of the grade at the initial inspection point?—A. For all terminals?

Q. Yes, for all terminals at the head of the lakes, the standard would be the average at Winnipeg?—A. Well, no more than it cannot be done.

Q. I am anxious to know why it cannot be done?—A. Well, just because it cannot. The grain does not go forward uniformly.

*By Hon. Mr. Motherwell:*

Q. It was done, I think, for many years?—A. Conditions have changed; diseases have increased, and the character of the grain is different now to what it was years ago.

Hon. Mr. MOTHERWEIL: Get the farmers to improve their production, work from both ends.

[Mr. Robert C. Steele.]

*By Mr. Coote:*

Q. I wish you would give us some of your reasons. What reasons can you advance against the adoption of that standard? That is the standard I think the farmer is always anxious to see put into force the average of the grade that he is delivering. We would like to see the old country buyer, or the Canadian miller get that. What difficulty is there in it?—A. Well you cannot ship out a cargo from the head of the lakes uniformly up to the Winnipeg average with grain at different seasons of the year, and from different sections of the country coming through lacking uniformity within the grades.

Q. That is the reason you suggest, or that the pool has suggested why we should adopt that 75-25 standard?—A. Well, that permits of a certain leeway within the grade, and it does not work a hardship on any one individual who might happen to have grain coming from any one section where the average which he would receive would not be quite equal to some of the others.

Q. Who do you think then is going to get the benefit of the leeway which exists?—A. Well, there would not be much benefit in the leeway, because a terminal has to keep it up to that. There is not very much leeway when you consider that they might have a cargo just right on that line and lose there, and they would have to make it up somewhere else. I do not think there would be very much profit in it.

Q. We are not supposing that he is going to put in anything that is lower.—A. If he does he will lose on it.

Q. If we are going to have that rigid enforcement that you are talking about he would?—A. Yes; he would have to be sure that it is up to it or above.

Q. Well, then, have you ever seen smutty wheat in the standard samples?—A. No, I have never noticed it.

Q. And the grain out of private terminals must be equal at least to the standard sample?—A. Yes.

Q. Then, how can you put say, 1,890 bushels of smutty wheat into shipment of 125,000 bushels without it being noticed by the inspector?—A. I wonder if you would give me the figures again?

Q. It is given in Mr. Sproule's evidence. In one shipment that went out there were 1,890 bushels of smutty No. 2 went into a shipment, the shipment being 125,000 bushels?—A. 1,890 bushels?

Q. Yes.—A. And a shipment of 25,000 bushels?

Q. No, 125,000 bushels?—A. Well, it looks rather large, I will say. I would say this much, that very slightly smutted grain can be lost in a cargo, certainly without your being able to detect it.

Q. But if the inspector saw any smutty grain at all in that shipment would he be entitled to refuse to give it straight grade?—A. I would say he should. I do not think they would though if it was a lower grade of wheat, just bare detection, you mean?

Q. But I did not think any smutty wheat was put in in making up the standard sample?—A. No, I have never seen it.

Q. Well, that is the thing that has always been difficult for the producer to understand how it could be done. You mentioned that something should be done about No. 3 Northern?—A. I have not got that with me now. The changes that we, of the department feel, are necessary, if I remember rightly the first part of the definition was that 3 Northern be equal in value to Marquis and contain 25 percent of hard red vitreous kernels; the second part of the definition to be, any red wheat variety weighing heavier than the other, the Marquis, 3 Northern, and containing 35 per cent of red kernels. I believe that was it. It was something about there.

*By Mr. McMillan:*

Q. Do you not think it would be better to keep that smutty wheat out of the wheat; that is, clean the straight grades?—A. Of course it would be better, certainly badly smutted wheat.

*By Mr. Ross (Moose Jaw):*

Q. You were speaking of cargoes going out of Vancouver, one of which was appealed, and another loaded into cars and put back into elevators. Do you think, if the Board made a regulation that once a car was loaded it could not be unloaded and had to take the grade, that that would help to stop the evil of mixing?—A. I believe it would because of the fact that it is very expensive to unload.

Q. If they made a stipulation, that once a cargo was unloaded from the elevator—A. It shall receive the grade to which it belongs.

Q. Do you think that would be a good stipulation?—A. I would say it would, yes. You have a No. 3 Northern description.

*By Mr. Coote:*

Q. Is it because you find the No. 3 at the present time contains a large percentage of what we call starchy kernels?—A. There is too large a percentage of starchy kernels permitted in No. 3. There is nothing that I know of to exclude the 100 per cent starchy kernel.

Q. Do you find many farmers' cars containing 100 per cent starchy kernels?—A. Oh, yes. I would say that there are many cars coming through.

*By Hon. Mr. Motherwell:*

Q. If the deflection of high type cars of each grade were prohibited either to the mills—the United States millers, or to anybody else, would that not assist the out-turn cargoes coming by Winnipeg than they do now?—A. Yes.

Q. Is it practicable to stop those deflections? Why should the American millers have the opportunity of picking up good cargoes when the British millers have not?—A. It is boiled down to the question of how much they are willing to pay for it. If they are willing to pay sufficient to compensate for the lowering of the value of the cargoes; it is a question of dollars and cents.

*By Mr. Millar:*

Q. And to whom he pays?—A. Yes, certainly.

*By Hon. Mr. Motherwell:*

Q. There is a lot of deflection going on of the high types of each grade. I do not feel like prohibiting our millers getting it, but I do not see why the mills of a neighbouring country can get the edge on the British and European mills in that respect, as they do now. The American millers can pick it up here, and it makes it difficult for the out-turn cargoes to come up to the initial inspection when all this is taken off between Winnipeg and the head of the lakes.—A. I do think it would work any great hardship on the mills if they were compelled to take the average run of grain, providing they were sure of getting it.

Q. It is defective in our terminals; that is why they want to pick it off?—A. Yes.

Q. If it is defective to them, it is defective to the overseas millers too?—A. Yes.

*By Mr. Donnelly:*

Q. Where is most of our wheat diverted?—A. At Winnipeg—some at Moose Jaw.

Q. In carload lots from there?—A. Yes.

Q. And it is sent to the public terminals?—A. It is sent to the private terminals and special binned there. Mind you, that is not all of the grain the

[Mr. Robert C. Steele.]

American millers take, because they have been taking cargoes as well, to my knowledge.

Q. They take the odd trainload———A. No, I would not say that. I mean the mills divert grain at Winnipeg to a private elevator at the head of the lakes, and in addition to that they buy a cargo of grain out of the bins of the private elevators.

Q. Would it assist, do you think, if we made a regulation that all export wheat must be bin-run from our public terminals, and all our export must be the average run out of our terminals, so as to prevent any special binning?—A. There would be no special binning or selection of cars.

Q. All export wheat, whether to the United States or to any other country, must be as it comes out of the terminal, without any special binning at all—A. It would be easy to enforce, if you had the control of all elevators, you could say, no special binning.

Q. That would prevent a lot of diverting to the United States?—A. Yes, it would probably prevent all of it.

Q. We can see that; they might do as the mills at Moose Jaw do, take the carloads and ship them out in trainload lots?—A. I do not know that it would pay them to do that. It is rather expensive, the overland haul.

Q. The freight rate from Moose Jaw to Minneapolis would not be greater than to Fort William?—A. I have no idea about that.

Mr. DONNELLY: I think it is about the same.

The ACTING CHAIRMAN: Will the witness be discharged? Are you through with Mr. Steele?

Mr. MILLAR: I think not, Mr. Chairman.

Mr. DONNELLY: I think we had better have him here this afternoon for a while, Mr. Chairman.

The ACTING CHAIRMAN: Is it the wish of the Committee to meet at 4 o'clock this afternoon?

Hon. MEMBERS: Carried.

The witness retired.

The Committee adjourned until 4 o'clock p.m.

#### AFTERNOON SESSION

The Committee resumed at 4 o'clock p.m., Mr. Brown in the chair.

The CHAIRMAN: I had not the pleasure of being with you this morning except for a few minutes. I understand you were not finished with Mr. Steele, and had him still with you. Mr. Steele is prepared to give further evidence, or to answer any further questions which you may have to ask him.

ROBERT C. STEELE recalled.

The WITNESS: Mr. Chairman, and gentlemen of the Committee: I would like to mention something which I forgot this morning. Coming away from Vancouver from the Commission in rather a hurry, I was not able to bring any exhibits or any evidence or the like of that, that they had been collecting; but Chief Justice Brown asked me to assure the Committee that if there was any evidence which they had secured or if there were any exhibits which had been filed, which would be of any benefit whatever to this Committee in its work, he was anxious that they be called upon for those exhibits or that evidence. Apart from that I do not think there is anything else, any more than that I had intended mentioning this morning also that I saw Mr. Fraser's suggestions for the collection of samples for the standards and the making of a

[Mr. Robert C. Steele.]

provisional standard for grain in the early part of the fall, so as to get an earlier standard. I would just like to say that from all I know of the collection of samples and experience with the grain in the West, his idea is a very good one—a provisional standard to be used until all such samples as can be collected are secured to make the permanent official standard. And I would go further than Mr. Fraser in this, that I would feel like making extensive use of laboratories for milling and baking tests; say three western laboratories and one big baking concern, just to make sure of the material before definitely setting the official standards for the following year. I do not think there is anything else.

*By Hon. Mr. Malcolm:*

Q. May I ask a few questions to make clear in my own mind your view as to the benefit to be derived from the adoption of the 75-25 outturn standard at the terminals? I took from what you said this morning that this standard decided by the officers of the Pool and agreed to by yourself is about as close a standard as we can be sure of maintaining.—A. That is correct, in my opinion.

Q. And you think that setting a standard on the average of the grades passing Winnipeg is rather a physical impossibility?—A. I feel it is an absolute impossibility.

Q. I want to ask you one or two questions relative thereto, as to the benefits to be derived from the 75-25 outturn standard. Do you believe that the terminals can at all times maintain that standard on the present grades set, without having the strength of the standard or the height of the standard, may I say, reflect itself back to the country adversely?—A. Yes, I think that it can. In other words, Mr. Malcolm, you mean can this standard be rigidly enforced without detrimental effect being reflected back to the grower in the country?

Q. Yes, by inspection at the country elevators.—A. Yes, I think so.

Q. The point I am anxious to make, Mr. Steele, is that by setting too high an outturn standard, which would be difficult to live up to, there might be a tightening up in the country elevators which therefore might have an adverse affect on the producer.—A. Yes, I understand.

Q. By setting too low a standard of outturn, the producer does not get the full benefit of the sale of his grain?—A. No.

Q. We are anxious as a committee to do what you suggest should be done, to maintain as far as possible a complete uniformity of flow in our cargoes all season, and that is desirable. It has been pointed out to me that there should be some tolerance, some permission given to the Board to vary that standard. If in any year it were possible to make it higher, it should be made higher, and if in a particular year it would be difficult to maintain it, it should be lowered slightly. Do you think you are sufficiently acquainted with the grades to know that that standard should be incorporated into legislation?—A. I have not examined standards made up in that way for any other than last season's crop, and naturally I could not speak for other seasons.

Q. Do you not know how it would have worked out for the last season?—A. I believe it would have worked better for last season's crop than in this, as far as the ease of maintenance is concerned.

Q. Now, in your opinion, Mr. Steele, how would the average of the outturn of a grade appear under the 75-25, we will say in this season's crop, with the average outturn that has gone forward under the present method of inspection—would it be an improvement?—A. Under the present, as it has gone forward?

Q. Yes, how would it compare?—A. Yes, it is an improvement.

Q. It would be a better standard of the grade than what has gone forward?—A. Yes.

Q. So that while Mr. Symes had what he told us was a guide, simply of sixty—thirty-five—five, it was not maintained?—A. No.

[Mr. Robert C. Steele.]

Q. And in a case of an appeal, they had to use the Winnipeg sample, and the average outturn of the Public elevators as well and use the whole three?—A. Yes. Actually the sixty—thirty-five—five standard is not official and is not consider in any way.

Q. Then you think that the 75-25 outturn standard would be a slightly higher standard of each grade going out of the terminals than they have now?—A. Yes.

Q. Which would reflect itself probably in a slightly higher price for the grade?—A. Yes it should, provided that is the standard which was sent overseas. It would not do to send over two standards.

Q. On the question of mixing, I would like to clear my mind on a point raised this morning. We have been told by Mr. McIvor that there were about a million bushels out of the total handled that they were not able to mix, and that were sold on sample, the balance of their off-grades being blended into the standard grades. Have you any idea of how much of the blending was done to grains which were cleaned, and to which there would be no objection even if a no-mixing regulation were put in the statutes?—A. No, not from my personal knowledge; but from discussion of this sort of thing, there was a considerable percentage which was not cleaned. I know that.

Q. Would there be half not cleaned, or would it be more than half, Mr. Steele?—A. Oh, I think there would be half.

Q. And probably half cleaned?—A. Probably more than half not cleaned.

Q. So that you have no knowledge of how much off-grade grain,—I think you have answered that in the negative this morning,—was mixed with the straight grade grain in last year's crop?—A. No, I could not tell you the percentage.

Q. I wonder if any one of your organization would have those figures,—would your statisticians have them, do you know?—A. Not yet, they would not have them. That would be after the end of the fiscal year.

Q. So that what the Committee has to consider is whether with the prohibition of mixing, if it were allowed to clean grain and put it into the grade, it would be permissible to mix within the grade, but it would not be permissible to put this fifty per cent or whatever the percentage is of the off-grades which were not treated, into the grades. These would be sold on sample along with the million bushels which Mr. McIvor referred to?—A. Yes.

Q. Supposing the Committee were in favour of the statutory prohibition of mixing, how much do you think would be lost by selling the fifty per cent which is now mixed, with the sample grain along with the million bushels which have been sold?—A. Oh, I would have nothing on which to base an opinion, because at present the price of those grains is based on their mixing value.

Q. They have certain values for mixing which they would not have for other uses?—A. Yes.

Q. A higher value, would you say, for mixing?—A. Yes.

Q. So that part of the grain which is mixed gives a larger return to the producer in your organization than if it were sold by sample?—A. Yes, especially a tough or slightly tough grain. A year like the last, there is no appreciable damage done to the standard by mixing out last season's tough wheat.

Q. I think it is generally conceded that there has not been much mixing done this last year?—A. That tough was mixed.

Q. Without any loss to the grade?—A. Yes. I could not say that every bushel was mixed.

Q. Your position is not that of operating a country or terminal elevator?—A. No.

Q. So that you could not give us any evidence as to the physical difficulties in handling grain if mixing were prohibited?—A. No, only from discussions.

Q. But you also left the impression with the Committee that in your opinion setting a standard as high as 75/25 would to all intents and purposes eliminate mixing?—A. A rigid enforcement and supervision of all terminals and knowledge of what went on in those terminals, as there would be if there was a proper supervision and return made, I would say to all intents and purposes it would not lower the average of the cargo to any appreciable extent, below what the average would run through the inspection point.

Q. And mixing would be so unprofitable as to make it undesirable?—A. Yes, as far as I am concerned, it would make it unprofitable entirely.

Q. You mentioned something this morning about the difficulties of adopting a no mixing policy, that probably cargoes would not come through as uniformly as one would desire in order to get uniformity of outturn. Could you give us any information as to how this would be brought about?—A. That is if there was a statutory abolition of mixing?

Q. Yes, I think you said that you thought under a statutory abolition of mixing we could not get the same uniformity of flow out of the public elevators?—A. There are certain terminal elevators with country connections which draw their grain from a section of the west which has very hard, red wheat and high up the grade,—more high up the grade than low. There are other terminals drawing their grain from other sections of the western provinces where the grain is not as high in the same grade. Train loads of grain come down and taking the average of the grades in that train load they will be considerably below the average of the Winnipeg Inspections; and those train loads are unloaded at one particular terminal, while the others are unloaded at another particular terminal; and one terminal is above the average inspection, while the other is below.

Q. So that you are of the opinion, which some of us had already come to, that in order to have uniformity of value you should have a set outturn standard?—A. Yes.

Q. One other point on which we would like your opinion. There has always been a feeling that the inspection should be final at the head of the Lakes, and there has been no re-inspection at the seaboard. Have you had any experience in inspections at the seaboard at all?—A. No, no experience at all.

Q. You do not feel that you can give any evidence on the desirability for re-inspection?—A. No.

Q. I wanted to ask you, if you were in a position, to give us advice as to whether in your opinion inspection at the seaboard would be advisable?—A. No, the only experience I have had is that I have inspected samples which have been returned from overseas with the samples from the cargoes when loaded. I would say that some of those cargoes did not look as if they had gone overseas as shipped.

Q. You would be inclined, then, to consider that there were opportunities in transit between the head of the Lakes and the seaboard for grain to be lowered in standard?—A. I would say that there are opportunities, yes. Both through our own ports and through the American ports; as far as I am concerned, it would appear as if there might be opportunities.

Q. I am told that sometimes the cargo has its certificate lost, and another certificate substituted of the same grade, and it might be advisable to have an outturn inspection at Montreal as well as at Fort William.—A. I have felt, and a great many working with me have felt the same, that it should be.

Q. My reason for bringing up the point is, that if the Committee, after a very lengthy hearing and mature consideration, agree with this suggestion, that the desirable thing is uniformity of flow, and if the Inspection Department produce that uniformity of flow by a rigid application of the 75/25 standard at the head of the Lake, that is not going to be good enough, unless we are sure that that uniformity of flow is maintained at the seaboard?—A. Yes.

[Mr. Robert C. Steele.]

Q. We must not leave an open gap past the point at which our good work is done?—A. No. I could not see any harm which could be done, but a good many benefits that might be derived from a seaboard re-inspection.

I wonder if I might mention to Mr. Malcolm one other thing which I had in mind, about reflecting the harm back, detrimentally back to the country on that? That would be the Government Inspector's tightening up on the grade?

Q. I had in my mind more a case where a privately operated line elevator company was finding it difficult to live up to the 75/25 standard with the grain that was coming through. There is competition, of course, between buyers at country points, there is also the tendency for buyers to give a man a good grade, and probably that competition is the best and healthiest thing which the producer enjoys. Now, if the 75/25 outturn standard were so severe that the terminal found it difficult, from the run of cars which it was getting to live up to the standard, the operator would naturally send word back to the country that they were being a bit generous in their grading, and the buyer might tighten up on his grading in the country. I understand that the grading is finally done in Winnipeg, but after all there is a leeway between the minimum and the maximum of the grade?—A. Yes.

Q. And if it were found difficult to get the outturn standard of 75/25, the Inspection Department at Winnipeg would also be faced with the charge that it was too generous.—A. Yes, but, Mr. Malcolm, anybody in inspecting cars, as the Appeal Board, over and above the Inspection Department; you could hardly conceive of the Western Appeal Board being influenced by anything that anyone would say regarding it, when they know that a certain leeway was allowed to take care of that. We have had cargoes billed this year where the terminal operators swore that there was not a bushel of anything else but the grain that they put it out at in the grade forwarded in that car, and I could take my oath that there was.

Q. But with the outturn standard, we can easily suit the British buyer; we can make the standard to suit him, but in making the outturn standard to suit the British buyer we must not cause a lowering on the producer grade.—A. Well, I just had the two points on that. There is the Inspection Department and the country elevator agents, and no farmer in Western Canada requires to take the grade of a country elevator agent if he does not want to, because there is provision made that he can take the Chief Inspector's grade. That would be his protection, and if such a thing were happening it would only be necessary for those interested—the farmers' organizations or the Board of Grain Commissioners—to carry on the proper education.

Q. That is quite true, Mr. Steele, but I think you quite recognize that 50 per cent of the wheat is street wheat?—A. Well, I cannot give you the percentage of that, Mr. Malcolm.

Q. I am told that over half of it is street wheat.—A. That is quite a big percentage compared to what it was a few years ago.

Q. If we take, say, 400 million bushels, and we consider half of it is street wheat, and that half of the street wheat is bought without Winnipeg reinspection, making 100 million bushels or a quarter of the crop. There could be a tightening up without the producer getting the benefit?—A. Yes, but it would soon right itself, I think.

*By Mr. Vallance:*

Q. Would you say that 50 per cent of the wheat was street wheat?—A. I cannot give the particulars, no, but I know that the percentage is decreasing; the percentage the last three years had been decreasing. I would not care to give the percentage.

Q. You would not say it was 50 per cent?—A. I would not say it was 50 per cent, no, not now.

*By Hon. Mr. Malcolm:*

Q. Whatever it was, it was a large quantity?—A. Yes.

Q. However, the point I wanted to make sure of in your evidence is that the 75-25 standard can be lived up to, and is as close to the average of the grade that it would be safe for you to operate your terminal elevator on?—A. I would say so, yes.

Q. What condition, or what change of conditions would make it more difficult to live up to that standard in one year than in another?—A. What change in conditions?

Q. You said it might be easier one year than another. What are the conditions, or what change of conditions would make it more difficult to live up to that standard one year more than another?—A. Well, in one year there would be a preponderance of frost damage than, say, in another year where there would probably be rust and heat damage. The rust and heat damaged grain, providing it is sound in other respects is all that is necessary to bring it up to wheat, while in the frost it is the green and the frost which might not mix in making a standard for the minimum and the maximum; it might not be quite as easy.

Q. You would not emphasize the point?—A. No.

*By Mr. Ross (Moose Jaw):*

Q. In speaking of street wheat, when these people say 50 per cent are they not differentiating between special binned wheat and other wheat?—A. I take it they mean loads sold individually and also loads sold subject to inspectors' grade—

Q. That is all wheat outside of special binned wheat?—A. All wheat outside of special binned wheat.

Q. That is not what is generally accepted as street wheat in the west. What is generally accepted as street wheat in the west is the man coming in with less than carload lots?—A. Yes.

Q. When a person says that 50 per cent of the wheat is street wheat they do not mean that 50 per cent of the wheat is sold in less than carload lots?—A. No. Street wheat in the trade means all the wheat outside of special bins.

*By Mr. Millar:*

Q. Following out that same point, is not a lot of that street wheat made up in this way: I, as a farmer, perhaps have 25 hundred bushels of wheat, and I draw out 900 bushels and I know that the elevator man will pay me the track price for that wheat? I need the money and I sell the 900 bushels; that is classed as street wheat?—A. Yes.

Q. Although I have plenty to fill a car if I want to?—A. Yes.

Q. Just to follow up another point, in your replies to the Minister you stated that those off-grade wheats were worth more because of the mixing privilege. Are you sure that the profits in those off grades are reflected back to the farmer?—A. Oh, I did not make any statement as to where the profits went, Mr. Millar; not all the profits I would say.

Q. It does not seem so when you consider that feed wheat was selling at Indian Head for \$18 a ton, and another elevator just a short distance up was selling bran at \$32 a ton at the very same time. You can go up to 6 wheat, 5 wheat and 4 wheat and find about the same difference. Those prices would not seem to indicate that the farmers were getting any fancy price for those off grades. I would like to ask a question about tough wheat. You mentioned tough wheat as one example where the farmer was getting more because of the tough wheat. Does that not work out this way: a number of carload lots of tough wheat containing a large amount of water, perhaps, 15, 16 or 17 per cent, are dumped into the dry wheat. In that way, some tons of moisture may be

[Mr. Robert C. Steele.]

put into a cargo, and the farmer has lost as much as eight cents a bushel on that tough wheat. He has had his one loss. Now, if that ton or two of water is sent over in the cargo to the old country buyer will the old country buyer not reason that he is buying water, and be unwilling to pay the wheat price for water, because water is cheap over there, and he will certainly lower his price?—A. I had in mind, Mr. Millar, more this last season's crop, you see, because the grain has been uniformly dry, and the tough wheat has been, well, not very tough. There has been such a small percentage of it that it could go into a cargo without anybody being able to know whether it had a couple of pounds more water in it, or a ton more water in it.

Q. Throwing in a few tons of water—I do not think there is any use in denying the fact that it was done—would it not be reflected in the price the old country buyer would offer for that wheat?—A. The old country buyer, I understand, takes into consideration the moisture in the wheat.

Q. And if he pays a lower price the farmer back in the country receives a lower price because of that excess moisture?—A. Well, I would not say that happened this last year; it is only years like the last that I had in mind, where I did not consider it would be detrimental.

Q. Where it occurs though, where there is excess moisture put in, and the whole is brought up near to 14 per cent, it would be reflected back to the farmer?—A. I would say that was axiomatic.

Q. And it is a case of the farmer losing eight cents in the first place, and then losing because of the low price overseas, and in the end absorbing his own water. I would like to ask a question on this, Mr. Steele. I know from the gradings that I saw that you do that. You are an expert grader, in fact, you are something of a wizard. Would it be possible for an inspector, in case six new grades were established, to take care of the off grades after they were treated,—1, 2, 3, 4, 5, and 6; would it be possible for an inspector, when he has an off grade car coming down, to determine or designate into which of those grades it should go after treating?—A. I think possibly it might. I would rather Mr. Fraser answered that sort of question.

Q. Well, I have asked Mr. Fraser, and he has given the matter some thought. I know it is a new idea. Do you believe that those off grade cars, taking all the off grade cars aside from those that could be treated and put into straight grades, taking all the others after they are treated; could they be classified, and classified reasonably well in those six grades?—A. Oh, I would say they could; just off-hand I would. Remember, I have not experimented very much with it.

Q. There might be a few; for the most part, they could be put into the six grades?—A. Yes.

*By Mr. Lucas:*

Q. Mr. Steele, coming back to that outturn standard of 75-25. That standard, of course, would be set at the beginning of the season, would it not?—A. Approximately at the same time as the other standards were definitely set.

Q. Well, your opinion on it is this: that standard having been set at the beginning of the season, would there be any possibility through, we will say, climatic conditions when the crop was underway of deteriorating the latter end of the crop to a point where it would then not be able to live up to that standard that had already been set?—A. I would say they should make sure that it is not set so early as all that, to be reasonably sure the grain is going to be harvested and got off in similar condition.

*By Mr. Vallance:*

Q. Would it only lower the grade?—A. Not in all cases, I believe.

*By Mr. Donnelly:*

Q. Mr. Steele, you said a while ago with regard to our seaboard elevators that you thought it would be a good idea if we had inspectors there. Do you think it would be a good idea to have inspectors at our transfer houses as well? Do you think that is necessary?—A. I feel that a check is always a good thing. I know in our own department we always like to be checked up by each other. We like the Fort William office to check us up in Winnipeg, and also the Moose Jaw office, and we like to check them. A little more of that is all right and is healthy for the business.

Q. A little more supervision is desirable?—A. Yes. That is the way we carry things out in our own department.

Q. We felt last year during some investigations made by the agricultural committee that there should be some more strict supervision of our transfer houses as well as our seaboard houses, and you are simply confirming that?—A. Yes.

Q. With the 75-25 you refer to, under our present regulations I think Mr. Fraser and Mr. Hetherington said that it would be impossible for our public terminals to carry on at the head of the lakes with our present regulations. What do you think about that?—A. I agree with that.

Q. You do not think they could carry on?—A. Not as things have been carried on for the last few years.

Q. And you would have to have other regulations for our elevators at the head of the lakes with our 75-25, and that is why you propose further regulations with regard to our elevators?—A. Yes. You would have to make them all under one terminal license or some special provision which would be in the nature of a bonus to our elevators?

Q. Otherwise they could not carry on?—A. That is my opinion.

Q. You said you had seen carloads of wheat coming in from the north and the south, and you said that from the southern part there would be a lot of hard red spring wheat which would be above the average?—A. I do not think I said the southern part.

Q. We will take that for granted; call it "certain districts". It would all be going into one elevator and they would be getting above the average?—A. Yes.

Q. Will not the same thing exist in other sections of the country? Will they not be getting wheat which will be below the average, and if they do, how will they turn out the 75-25?—A. Well, they are below the average, and if the rest is above there is a certain leeway there; there is sufficient so that they could afford to do that.

Q. Do you mean to say that you think the elevator gets a lower grade outturn at 75-25?—A. I think so. It is not so extreme as to be a grade or a half a grade out; it is just that it is noticeable.

Q. A fellow could not mix much poor stuff in it?—A. He could not. He might in one car, but not in the next, because as it happens now there is a great deal of good, hard, red spring coming from certain districts which did not come from those districts two years ago.

Q. There are companies which have lines of elevators in certain districts from which the starchy kernels come, and they get all their wheat from those districts, and I can understand that it may not be as good grade of wheat for milling or baking.—A. Yes, but those conditions are changing.

Q. When the conditions change so that there will be no mixing, our standard outturn would be about the average?—A. Give it time, and it might.

Q. I cannot see if we take all our No. 1 and put it into one bin, why you would not get the same 75-25 as you would under the 75-25 rule, because they must take that in and ship it out as No. 1, and so how they will mix anything with it?—A. All I can say is that I feel there is sufficient leeway to cover that.

[Mr. Robert C. Steele.]

Q. That would be pretty near the average?—A. That is close enough, so that they could not get away with very much yet sufficiently away when these trainloads or runs of grain come in they can take care of it without a loss.

Q. In other words, if we prohibited mixing and had the 75-25 there would not be much difference in the outturn?—A. To prohibit mixing?

Q. Yes.—A. And make a standard 75-25?

Q. Yes. The idea of making a 75-25 as much as anything else, to my way of thinking, is to prevent segregation of the high wheats. You can see a company who has two terminal elevators, where they will put all the high samples they get from the high grades into one bin, and the minimum into another, and they would send out the maximum in one carload or sell it at a premium, unless you sell the standard as well?—A. Yes.

Q. That was the idea of prohibiting the mixing and of putting in the standard?—A. Yes.

Q. Consider, for example, our government elevator at Fort William. Supposing they got a lot of this wheat all below the average, and they took that in as No. 3 and did no mixing whatever. Could we refuse those people the privilege of turning it out again as No. 3?—A. As things stand at the present time?

Q. You could not do it at all at the present time?—A. Certainly not.

Q. Will you do it afterwards? It is putting a hard penalty on these people if you take it in as No. 3 in the public elevators.—A. You are getting into something about which I do not care to say very much, because I do not believe it is necessary to do all those things. If you have the 75-25 and put the terminals under the same license, these uniform flows of uniformly high quality grain within the grade would minimize your difficulties to that extent.

Q. We had it brought before the committee concerning the advisability of having two standards of wheat, one for the Atlantic and one for the Pacific. What do you think of that? Probably also in years to come if wheat is being shipped out of Hudson's Bay, we will have to have a standard for that as well. Would that be better than having one standard for the whole Dominion?—A. I am in favour of one standard if properly set and properly lived up to.

Q. You do not think it is necessary to set a standard for the Pacific coast and one for the Great Lakes?—A. Just at the present time grain going from the Pacific coast is somewhat different from what is coming east, and if you divide it and make a standard for the Pacific as well as for the east, you will have to divide the southern part of our provinces from the northern, and you will have to move the dividing line from the west all the time, because as the land produces bigger crops the characteristics change, and you will have to move accordingly.

Q. Is there not a greater difference in the wheat between the northern and southern parts of the provinces than between the eastern and the western parts?—A. Yes; that applies more particularly to Alberta and Manitoba.

Q. If we were to divide it we would have to divide it and provide a grade for the north and one for the south?—A. If I were to divide it, that is the way I would do it.

*By Mr. Coote:*

Q. What use would the standard be, if you set a standard for the north and one for the south?—A. I cannot say that would be of any use.

*By Mr. Donnelly:*

Q. If a man had a carload of wheat coming from the north he would have that standard to grade it by, and if it were coming from the south he would have the southern standard, and it would be the same as it is now if we had the two standards, one for the Atlantic and one for the Pacific. It might be of much use.—A. Yes, it might, but I don't think I said that.

[Mr. Robert C. Steele.]

*By Mr. Coote:*

Q. I think you used the expression "properly constituted standard". Will you tell the committee just what that would be?—A. I feel that a standard made up of truly representative standards from all over the west is a properly constituted standard.

Q. Then have you seen in some years a difference between the appearance of the wheat going out of Vancouver and that going out of Fort William in the same grade?—A. Yes.

Q. It has been so marked in several years that the inspector has made up samples out of the wheat from the areas which shipped to Vancouver and given them to the inspectors at Calgary and Winnipeg to use in inspecting commercial grades of wheat. Do you know that to be a fact?—A. Yes, as a guide.

Q. Would that not certainly indicate that the difference in the types of these two wheats was very marked?—A. That would indicate the difference in those two wheats was marked at that time, yes.

Q. Suppose we were considering the setting of a different standard for Pacific shipments from that which is used in shipments to the head of the lakes; would it not be the natural thing to select that standard or to constitute that standard from wheat coming from the areas which shipped to the Pacific coast?—A. The way I look at it is this: As I said before, if you are going to have two, you might just as well have four; the differences are there, but you are sending out two standards for the man to buy to, and furthermore you are going to have to change the dividing line where those standards are to be secured in the years to come, because Alberta—taking it as being where the western standard comes from—will grow a similar wheat to Manitoba and Saskatchewan in the course of not too many years.

Q. I do not think it is right to suggest that this will be an Alberta standard at all. You admit that the wheat going out of the Pacific ports is of a different type from that going out of the Atlantic?—A. It has been.

Q. And very often the official standard sample looks so little like the wheat going out of Vancouver and through Calgary and Edmonton that the inspector makes up another sample for the use of his inspectors in those offices.—A. Yes, I have seen them make up standards in our office of three or four different guide samples, but not when those were altogether—

Q. We are not suggesting making more standards than there are different outlets. We considered one at the head of the lakes and the other for Vancouver, and you can put Vancouver and Prince Rupert together for this purpose. I presume that one purpose of the standard sample is that it may be sent to foreign buyers to give them an indication of what those grades are like.—A. Very likely.

Q. In regard to the crop of 1927 we sent samples of our standard 4 and 5 to buyers, we will say, in China and Japan. Would they not have good ground to say when they received the shipments later on that the standard samples did not look a bit like the wheat they received? Would they not have good grounds for complaint on that score?—A. He would have good grounds for complaining on that score.

Q. I beg your pardon?—A. He would have good grounds for complaining on that score.

Q. Did they have grounds for making this statement to any one?—A. I have seen the time when they could.

Q. Would it not be better to make a sample which would conform, out of the wheat coming from certain areas, I do not care whether it is from Saskatchewan, Alberta, or where it is, but going out of Vancouver, to make the standard up to that quality?—A. I am just naturally against it. I see confusion in it

somewhere. I have not given it sufficient study, and I really should not say anything about it.

Q. But you are an inspector, and if we furnish you with a standard sample of the wheat, and that standard sample weighs six pounds less to the bushel than the wheat you are called upon to inspect out of a certain car, do you think we would be giving you a proper standard?—A. I think the government inspector should be in a position to determine the relative value of any grade in comparison with the sample.

Q. No matter whether it looks like it or not?—A. It is not the physical resemblance, that is, whether one is thin and the other is plump; it is the weight per bushel, as against the thin and shrunken rusted kernel.

Q. Why do you say that?—A. It is easy, when you have a similar sample of wheat.

*By Mr. Ross (Moose Jaw):*

Q. Speaking of the moisture content of wheat going to the Old Country, is 14.4 per cent the proper point to have in our grain going to the Old Country?—A. I should say it is for spring wheat. I think it should be 15 per cent.

Q. Do you think the ordinary buyer on the other side buys on the basis of 14.4 per cent water, or on the basis of what is coming forward to him?—A. On the basis of what he gets.

Q. In speaking to Dr. Donnelly in regard to the supervision of transfer houses and terminal elevators at outgoing ports, such as Montreal, would you say that we would be better served in this country if we prohibited the mixing of all Western grain in seaboard elevators and in transfer houses on the Lakes?—A. I would say that, emphatically.

Q. Prohibition absolutely at any of the transfer houses or the seaboard elevators?—A. That is my opinion. I was always under the impression that it was illegal anyhow.

Q. I realize that. You said a few moments ago that some cargoes you got samples of did not look like what went out from Fort William?—A. Yes.

Q. There is a strong suspicion in your mind as well as that of others that something happened to that wheat on the way. You say that we should absolutely prohibit the mixing of our western spring wheats in all transfer houses and terminal elevators to the seaboard?—A. Yes.

Q. Now, in regard to the question of the reflection of grade back to the farmer in the country, under the 75-25 standard your 75 is 75 per cent of the average passing Winnipeg or primary inspection points?—A. The primary inspection points.

Q. And 25 per cent of the minimum?—A. Yes, of the standard.

Q. Of the grade passing that primary inspection point?—A. Yes.

Q. Regardless of what kind of wheat came down from the different districts, it would all help to set that average in Winnipeg and the 75 per cent of the average would be taken?—A. Yes, but to a certain date.

Q. Then it would not be very hard for the different country points to put in wheat which would come up to  $37\frac{1}{2}$  per cent of the grade, which would be your standard?—A. Yes, that is about it.

Q. That would be the average of the 75-25?—A. Yes.

Q. There should be no reason for the tightening up of grades in the country points; should there be any reflection back at all?—A. I do not see why there should. I do not see any necessity for it. I do not see why it should be permitted. I think it can be prevented without any difficulty whatever.

Q. You do not see any difficulty in presenting it?—A. No, I do not.

*By Mr. Millar:*

Q. You are in favour of having more inspectors looking after the elevators farther east; would you go so far as to say that the magnitude of our wheat trade was sufficient to warrant us in keeping an agent overseas to look after our wheat?—A. I could not say much upon that point, Mr. Millar. It is hardly a thing that I can speak of.

*By Mr. Donnelly:*

Q. In the diverting of wheat at Winnipeg, is there anything you can suggest, or any suggestions you can make to prevent this diverting at Winnipeg, this inspection of samples and picking out the tops of the grades? Can you think of anything to prevent that?—A. Well, if cars were prohibited from being diverted when billed through, I do not see why that would not help. The diversion of cars at present at Winnipeg is just by mutual arrangement with the railway companies by the company handling the grain.

Q. We would have to pass legislation then, preventing that?—A. There would have to be something. If you wanted to prevent that, you would have to do something.

Q. You would suggest doing that, would you?—A. I do not know whether I should answer that question, Mr. Donnelly, because it depends upon the premium secured and that sort of thing. It depends upon the premiums secured besides the economic condition.

*By Hon. Mr. Malcolm:*

Q. Do you think the 75-25 standard would be so high enough, that you could not divert, and still maintain it?—A. That is what I was trying to explain, that the economic condition would be such that there could not be an awful lot.

*By Mr. Donnelly:*

Q. With the 75, you think you would kill some of the evil of mixing?—A. I think so.

Q. We could not kill it all?—A. Not all. I do not think you could kill it entirely.

Q. Of course the ultimate aim is to kill the viper entirely?—A. What I suggested this morning was, to put you in a position to know exactly by proper supervision what is going on at all the terminals. You should know at the end of the year just what everybody has been doing in the handling of our grain.

Q. And you would suggest that the members of the Committee, if they saw fit, could suggest other changes?—A. Yes, you would have that information at hand.

Q. To prevent it, or to make the evils of mixing less and less?—A. To correct any evils that might exist under that system.

Q. The ultimate aim is to eliminate it entirely?—A. The ultimate aim is, to raise the final standard of our grain going overseas to the highest possible point.

Q. Or to get it the same as it comes from the farmer?—A. That would be the ultimate point. That would be the highest point. You could not get it raised any farther.

*By Mr. Coote:*

Q. Have you made a practice of inspecting any cars out of Montreal for your own organization?—A. No, we have only received the cargoes shipped from Montreal under the unload sample.

Q. Do you think it would be a good idea if we secured a sample of every cargo that went out of Montreal and had it preserved and sent to the Western Inspection Division, and kept there at least until the end of the season, so that in case there was any complaint the inspector would be in a position to know

just whether there was any justification for it or not. He would know just how well the grade was being lived up to at Montreal.—A. They are preserving these samples.

Q. Of every shipment?—A. As far as I know, they are preserving them on all of our shipments.

Q. Have you examined those?—A. No, they are preserved under Mr. Fraser's jurisdiction at the port of Montreal. I have not seen any of those samples.

Q. Are they open to your inspection?—A. As far as I know, they are.

Hon. Mr. MALCOLM: I think Mr. Fraser's evidence was that they were preserved in case of complaint.

*By Mr. Coote:*

Q. My idea is that samples should be taken out of every cargo at Montreal and sent to the Chief Inspector's office; they should be inspected by him, and he should know whether the grades going out of the terminals, compare with the grades at Winnipeg?—A. Yes.

Q. I think they should be open to inspection by the public, certainly by any person shipping grain, or is engaged in the business of shipping grain or producing grain?—A. There would be no question about that. I have never heard of any difficulty in the way of the producers' representative seeing cargo samples at any time. I have never heard of any difficulty put in their way.

Q. You told us you had seen samples which were not up to standard; would not the inspector have to see these samples from the cargoes?—A. Yes, if your suggestion was put in, but it is not necessary that the Chief Inspector should see all these Montreal samples.

Q. As far as you know, he would only examine them if there was any complaint?—A. Yes.

*By Mr. Ross (Moose Jaw):*

Q. As to the diversion of cars, you have supplied that information so far as the pools are concerned there is no diversion?—A. The pools gave instructions last fall that there should be no further diversion of cars.

Q. Was there any large diversion except by the mills?—A. Do you mean, outside of our own terminals?

Q. Yes?—A. No large ones.

Q. Most of your diversions outside of your own terminals was to public terminals?—A. The interior public terminals?

Q. Yes; was your diversion much stronger in 1927 than in other years?—A. From memory I would say it was, but I could not be sure of that, Mr. Ross.

*By Hon. Mr. Motherwell:*

Q. I would like to ask one or two questions. This 75-25 which is said to be a factor—I am not very clear on some features of it myself, but I can see from the standpoint of the mixer that he wants a little leeway in mixing; is that not it?—A. Speaking for myself, it is not a leeway for mixing; it is a leeway, if I were unlucky enough at some seasons, as I would be, to receive a run of grain which would be below the average.

Q. The low type stuff, say from the north—they always tack all this low grade stuff onto the north—could that be overcome a little by judicious binning?—A. I remember Mr. Horne stating that his objective was to try to scatter it around in the various grades of the one grade so that he would not have much of it in any one place; could not that be done with supervision on the part of the government? I remember what was done 14 years ago. If that supervision were restored would that not offset these lower types?—A. There would have to be diversion at the primary inspection points.

Q. That is where it would have to be done?—A. Yes. You could hardly tie up the railways at the head of the lakes.

Q. You think there would be too much difficulty at the head of the lakes?—A. Yes.

Q. Could they not take them in rotation and switch them to any bin they liked?—A. To a bin in the terminal elevator, yes, but not to the different elevators.

Q. The same man will have a line of elevators in the south?—A. Not necessarily.

Q. The pool has?—A. Yes.

Q. The farmers' elevators have, and they represent a lot of people, the U. G. G. has them scattered all over. They would be getting trainloads from the south as well as from the north, and they would have complete control of the binning, so as to have them mixed up in the various bins and avoid low grade stuff, all at the same time?—A. The Saskatchewan Pool would have less than any other organization, there is no question about that, I think. But there are other pools as well, which do not draw from the same area that the Saskatchewan Pool does.

Q. They do not seem to be very largely represented before the Committee. The farmers' organizations have them pretty well scattered, I think. Therefore they could handle that pretty well. I think at least to a large extent, between that and cutting out the deflections, it would enable you much more readily to make your outturn correspond with your intake and with what is passing Winnipeg. That is worth thinking over, I think. And I wonder if you have any information to give us, Mr. Steele, with regard to the percentage of off-grade outside of damp and tough? We have been figuring it out by this book of official off-grades, running up to over five hundred in 1926, and by careful figuring we find in that year that there was about six per cent of it off-grades, outside of damp and tough. And by the same method of computation this year, from information we have got from various witnesses, a year like this, when there is very little tough or heated or anything like that, it is about two and one half per cent of off-grades. Would your experience confirm that?—A. That is what I was going to say, that it was from six to considerably less. I would not like to give a percentage.

Q. From two up to six per cent?—A. I think about that.

Q. 1926 would be an average bad year?—A. Yes.

Q. And 1928 would be an exceedingly good year?—A. Yes.

Q. Do you not think that we are worrying too much about that comparatively small amount and taking too great risks in taking care of that, to the detriment of the ninety-seven and one half per cent of straight grades, that is, plus the damp and tough of this year, of which there is not much?—A. The question of a bad season comes in, and I feel that the smooth working, that is the smooth flow of grain is to be preferred, if the same results are procurable.

Q. We will take the year 1926, for which we have the exact figures, that is six per cent, and that may be nearer the average that 1928 would be. But should we jeopardize by any means at all, which we can avoid, the ninety-four per cent of the crop by taking care of the six per cent a little bit better? It seems to me we are trying to save at the spigot and waste at the bung hole. We are saving the two and one half to six per cent and running the chance of wasting the ninety-seven and one-half or ninety-four per cent as the case may be,—or am I putting that unfairly?—A. I think, possibly you are Mr. Motherwell.

Q. Then I wish you would correct me, because I wish to be correct.—A. My idea is this, that in bringing some government supervision and putting everything on a smooth, even-running basis, at the end of twelve months your Board of Grain Commissioners, if they are a sound, hard-boiled Board and fair and

[Mr. Robert C. Steele.]

conscientious, would be able to give you all the information you require to enable you to make any change you need.

Q. Are we to infer that we have not got that kind of a Board?—A. No, not at all.

Q. But that is one of the conditions of betterment that we want, that kind of a Board, whether we have it or have not.—A. I would say a good sound Board is necessary.

Q. I understand one of them is very ill, almost unto death, and another one has been wanting to resign for a good while; and the other one is getting fairly up out of his teens. So that I think it will necessitate some change before very long. Now do you think I am unfair; and if so I wish you would set me right?—A. Well, in making it as strong as that we are jeopardizing ninety-four per cent for the sake of the six per cent. I think you are raising the standard to as high as is possible.

Q. Then do you think the complaints from the Liverpool Corn Exchange were not well founded? I am not proposing to quote them now. And not only the Corn Exchange at Liverpool but on the Continent, they have been threatening to discontinue buying on certificate final unless we change our ways. Now we have improved in this year, we have pulled up enormously, and are all glad of it; but the moment you get a year such as 1924, 1926 or 1927, you will have to make a change. It was a law by Mr. Symes, and no doubt he got away with some good work with it, but are we not open to the accusation made by the Old Country millers who want to know what we have done about it? I know that the bulk of the fault was due to the weather. In 1928 we had beautiful harvest weather?—A. Yes.

Q. Why should we leave ourselves exposed to another shot at us, when our competitors are pulling up on us, especially the Argentine? I am afraid we are jeopardizing our position, as long as we are trying to wean ourselves by degrees. Is that the way you wean a calf, by degrees?—A. Well, I do not know.

Q. As to the mixing in any shape or form of the off-grades, let me pick out some of them at hazard. Have you read them over?—A. Yes, I have.

Q. Let me read one where my thumb happens to be:

“No grade tough rejected 3 Northern sprouted rejected mixed and heated”?

A. Yes.

Q. And there is page after page of them.—A. But that is rather an extreme.

Q. Of course you do not put them all in at once, but what is to prevent you from putting some of them in? You have forty bins, and we have had witnesses here who have said they have put in twelve to fifteen.—A. Different kinds of wheat?

Q. Different grades of wheat. That was the Pool, also, in Mr. Sproule's evidence. Is the mixing of these off-grades into the straight grades the best way to restore the lost confidence of which we spoke a few minutes ago? Liverpool Corn Exchange says we have lost a large part of the confidence that they had in our certificate. Could we not do something more to get back that confidence which was so valuable to us?—A. Did the overseas' complaints cover the whole of that crop or just individual cases? It is my understanding that they covered but individual cases.

Mr. MILLAR: It was very general, but especially three.

*By Hon. Mr. Motherwell.*

Q. Here is one which was under dispute, but we will not deal with that because they were wanting to indicate just about what could be done. There are so many of them here that I do not know whether I can put my hand on a particular one. What was the question which you were asking me, Mr. Steele?

[Mr. Robert C. Steele.]

—A. I was wondering whether that represented the whole of the receipts, or just complaints against individual cargoes.

Q. Oh, this was an individual cargo. As I understand it,—maybe you will correct me on this,—a little formula is gotten out by the foreman. A boat is spotted by the elevator with an order to fill it out of 3 Northern. The foreman gets out a formula based on the price of the different ingredients to go into that mix. It may contain anywhere from two to a dozen different grades of grain; and that formula would be handed, like a prescription from a doctor would be handed from a doctor to a druggist, to the foreman or operator of the belt, and he will pull the strings on the shoots which go to the belt; and they can put on as many of those as they like or as many as they think they can get away with. —A. They may put on as much as they can get away with; but if you set up a rigid standard, they will not put on many.

Q. The operator has no object in not working it, and he is instructed and has his instructions before him.—A. The idea, of course, is to get away with as much as possible. That is unquestionable.

Q. That is the idea, you think?—A. No doubt that is the idea.

Q. And, in my estimation, no matter how straight he is, once you throw it on to the belt, some of it in the rush will get past the inspector. Is not the proper place to catch that before it is on the belt?—A. Well, if all terminals took the responsibility of the cargoes which they loaded, and if the automatic sampler was kept under lock and key while the cargo was being loaded, it would be up to them, or they would lose their grade.

Q. You mean the outgoing cargoes?—A. Outgoing cargoes.

Q. You think that can be done?—A. It can be done quite simply at the Pacific coast, and I believe it could be done at the head of the Lakes also. I know it is simple at the coast.

Q. Some of us have been stopped, when making suggestions, on the ground that the rapidity of movement or momentum of the grain going on to the boat would knock anything endwise. But can it not be put up above?—A. I believe it can.

Q. But since the automatic sampler is applied to the farmer, to catch him if he is trying to get away with anything, or anybody else shipping individual cars, would it not be only fair to have the same principle invoked to see that the grain got on to the boat properly?—A. Yes, the same system should be used in both cases, I would think.

Q. At all events we are all agreed that we ought to keep up the quality of the grain?—A. Yes.

Q. And while some may think that the way to get rid of the grain is by mixing the bad stuff in with the better, you will excuse some of the rest of us who think that is not the way?

*By Mr. Millar:*

Q. If it had not been for the fact that you had been travelling with the Grain Commission this last winter, I would not ask this question. There was evidence, at I think, Saskatoon, by a druggist or chemist, who stated that the correlation between the protein content and the appearance of the wheat was so close that he could, by looking at a sample of wheat, tell within a very small fraction or determine the amount of protein. Now following that up, the thing which I want to get at is this, in case a change were made in the grades, and instead of trying to determine strength by the hard red vitreous kernels, you put in twelve, thirteen or fourteen per cent of protein, after the country elevator man had had a chance to have a training in this, how close do you think he would be able to come to it? Would he get close enough so that he could with reasonable certainty, not tell the exact amount of protein, but tell closely enough so as to put the grains into their proper grade, the higher grades only, one, two and three?

[Mr. Robert C. Steele.]

Will you give what information you can in your own way on that?—A. As I remember, some chemist at a mill in Saskatoon, and I believe it was the Quaker Oats, in fact I am sure of that, made a similar statement to that. I do not know that he gave the percentage, but he said that he could tell the kind or quality of the protein close enough for any purpose, without a test. But there is a difference between a chemist of a mill, testing samples all the time, because he is in a different position from a country agent who has been trained to take the general appearance of a sample. I feel it would be very difficult. In fact, while I have examined a great many protein samples, and have been interested in the question for over three years, I would hate to say that I would come pretty close, and I have seen more protein grain than an elevator agent in western Canada.

Q. With your knowledge of this whole question, do you think there is enough in it to be worthy of further investigation?—A. Do I think there is enough in it?

Q. In this proposal?—A. In protein?

Q. Yes, in the study of the proposal which we have had before the Committee last year, and this to a lesser extent?—A. I think there is a lot in protein, but I do not feel satisfied that anything like the research work has been done that is necessary before any definite change could be made in the grade. In the first place, I am not satisfied that the protein itself is an indication of the quality, because badly frozen grain will contain just as much nitrogen—.

Q. This was to apply to the first three grades?—A. Take wheat grown in one section, it will contain just as much nitrogen, or the same percentage of protein as wheat grown in another section, and yet one is a better milling and baking wheat than the other.

*By Hon. Mr. Malcolm:*

Q. Mr. Steele, to come back to the question of our standards in the various grades on the European market, Mr. Motherwell keeps referring to the dissatisfaction manifest on the Continent over our grades. You have been familiar with the shipments that you have made to the Continent during the past two or three years?—A. Well, I have seen a good many samples.

Q. And you have seen the samples received on the other side, of the shipments you have sent?—A. Yes.

Q. And you have heard a good deal of expression in favour of our wheat this year, that has been submitted as evidence, that the Liverpool Corn Exchange were very much satisfied with our wheat this year, and that there was complaint last year that they were not satisfied with our grain. Supposing we had had no mixing in 1927, and the same quality of grain had gone to Liverpool, do you think they would have been satisfied with the grain?—A. No, I do not think so.

Q. You do not think the dissatisfaction had anything to do with mixing?—A. I do not believe mixing had anything to do with the dissatisfaction.

Q. Was it the quality of the wheat or the mixing that they complained of?—A. I feel that it was the quality of the wheat.

Q. That is the point that I want to bring out, that the crops were quite different, were they not?—A. Yes.

Q. And the 1927 crop did not have the milling and baking quality that the 1928 crop has?—A. But in addition to that, Mr. Malcolm, I feel there was a considerable quantity of dried wheat which went out in the straight grades. I think that had a bearing on it too.

Q. The wheat did not dry too well?—A. No, it was not properly dried.

Q. Those samples which Mr. Fraser takes voluntarily in Montreal—and which we think is a very good thing for him to do—are retained, and when a complaint is made against any shipment the sample is used to determine whether or not the grain in the outgoing cargo was of the standard set at Fort William.

You have examined some of those, have you?—A. No, not those samples of Mr. Fraser's, no.

Q. Not of your own shipments?—A. No, I have not personally examined any.

Q. What shipments is it you refer to as having seen?—A. The overseas shipments, the shipments shipped from there,—the unload sample return from overseas.

Q. Have you found that that unload sample was not as good as the average outturn from the head of the lakes, in some instances?—A. In some instances, I have.

Q. You have examined some samples of cargoes going from American ports too?—A. Some of those would be from American ports, yes; I cannot recollect how many.

Q. Do you recollect of ever having had a sample sent back that did not compare with the outturn sample at the head of the lakes, the shipment having gone through a Canadian port, or were they all from American ports?—A. Oh, no. I cannot remember exactly, but they certainly were not all routed from one and not from another; there was no material difference.

Q. There have been several complaints made. Do you remember offhand how many?—A. I cannot remember; I cannot tell you that.

Q. In how many instances were the complaints sustained?—A. I cannot tell you that.

Q. I think Mr. Fraser said there were fifteen last year. How many were sustained, Mr. Fraser?

Mr. FRASER: Three.

*By Hon. Mr. Malcolm:*

Q. Would you say, Mr. Steele, that there were more complaints with regard to shipments of pool grain through New York than shipments of pool grain through Montreal?—A. No, I cannot say that, Mr. Malcolm.

Q. You have no recollection of that?—A. No.

Q. But you do believe that it would be advisable to have reinspection at Montreal?—A. Well, the mere fact of Mr. Fraser keeping those samples until such time as a complaint is received is an indication to me that there must be a necessity for something being done along that line.

Q. Of course, you realize that reinspection at Montreal will undoubtedly incur considerable expense?—A. Yes.

Q. It is an expensive matter to keep up a second inspection staff?—A. Yes.

Q. Would you suggest that the expense would be justified?—A. I would, personally, yes.

Q. Take a cargo of grain going via Buffalo out of the port of New York—how are we going to assure the buyer that it will have the same standard that was given it at Fort William? We cannot put Canadian inspectors at an American port, can we?—A. No. I do not know how things go out there at all, Mr. Malcolm. I have not given that matter any thought. The only thing I suppose you could do is to prevent it going out on a Canadian certificate final.

Q. Of course, it does not. It goes out on seaboard certificate as wheat of Canadian origin.

Mr. DONNELLY: You are wrong there, Mr. Malcolm, it goes out on Canadian certificate.

Hon. Mr. MALCOLM: That is a bonded shipment.

Mr. DONNELLY: All our wheat goes that way. It does not go out on American seaboard certificate.

Hon. Mr. MALCOLM: Since when?

Mr. DONNELLY: I think you will find that it always has. Is that not so, Mr. Fraser?

[Mr. Robert C. Steele.]

Mr. FRASER: I believe our red spring wheat practically all goes out on western certificate. Some of our Durum wheat and barley go out on American seaboard certificate.

*By Hon. Mr. Malcolm:*

Q. That is not the point I am trying to make, Mr. Steele. Do you not think that if we had reinspection at Montreal the standard we set would be maintained more surely than it is at present, that in the handling from Fort William, whether through a Buffalo terminal or through a bay port terminal, there could be no tampering with the grain so that the standard of the grain would be lowered if the seaboard inspection at Montreal had to keep up all the time with Fort William?—A. Well, it would look to me as if that would prevent any of that.

Q. And then the grain from a Canadian seaboard would be preferred to grain from an American seaport if it went through a bond, because we cannot have reinspection at New York?—A. No. But still, for all that, it might go out of New York exactly the same as it went out at the head of the lakes.

Q. But there would be a chance of the grain going out of New York being tampered with but there would be no chance if it went out through Montreal?—A. No.

Q. Therefore, it would be an advantage in two ways. It would, first of all, assure the buyer that the grain was of the same quality that was inspected at the head of the lakes, that it was the same standard of the grade, and secondly, it would create a preference for a Canadian port?—A. Yes.

Q. So it is your opinion that reinspection at Montreal is desirable even if there is some expense attached to it?—A. Yes. That has been my opinion for some three years.

*By Mr. Donnelly:*

Q. Following up that, have you in examining the samples you brought back from the old country found more complaints about the American seaports?—A. No, I cannot recollect that.

Q. I am referring to the samples that the pool sent back; you got samples back of your own shipments?—A. Yes.

Q. I saw them there in Regina, forty or fifty samples?—A. Oh, yes. There were more than that, Doctor.

Q. You did not see any more signs of mixing in the American shipments, or the deterioration of our wheat in the American shipments than you did in our Canadian shipments, did you?—A. No, I cannot recollect that I did.

Q. Of those samples that came back from the old country, not those that you complained about, but the samples you brought back, those were the samples you were referring to when you said that you found quite a number of them not living up?—A. Not a great number.

Q. But those were the ones you were referring to?—A. Yes.

Q. Not that complaints were sent back to you, but just those samples that you sent back from your own shipments; you examined them?—A. Yes.

*By Hon. Mr. Malcolm:*

Q. You cannot say that the shipments through the American ports were not as good as the shipments through the Canadian ports?—A. No, I cannot say.

*By Mr. Donnelly:*

Q. You said you thought we should have them checked up for overages. Do you think we would catch overages if we checked up our private terminals?—A. Oh, I do not know, Dr. Donnelly.

Q. You do not know whether there would be any overages or not?—A. No.

Q. They might all disappear?—A. I do not know that there are any now.

Q. Mr. Motherwell was speaking about our grades, and he said that ninety-seven and one half per cent, or ninety-four per cent comprised the good grades, the straight grades, and that there were about three and one half per cent or six per cent that were off grades, and he spoke of jeopardizing the 94 per cent or the ninety-seven and one half per cent. Do you not think that in the past few years we have been doing that by mixing?—A. We have been doing it in the past more than we would in the future.

Q. I think what Mr. Motherwell was referring to was that in the past we have been jeopardizing the reputation of our good wheat for the sake of this three and one half of six per cent?—A. I did not get Mr. Motherwell right then. Oh, yes, we have, no question at all in my mind about that.

Q. And if we make the standard 75-25 you do not think that the reputation of our wheat would be jeopardized as much and that, therefore, the reputation of our wheat would be maintained?—A. Would be improved. I did not get Mr. Motherwell right on that.

Q. No, I think he is absolutely right there.

*By Mr. Ross (Moosejaw):*

Q. There was one question with regard to the mixing of grain. You spoke of mixing those into the straight grades. In your opinion does it deteriorate the straight grades to mix tough into it?—A. It depends a great deal upon the quantity of moisture in the tough. With moisture from 14.6 per cent up to about 15 per cent, and not too heavy a percentage mixed in, I do not think it would appreciably lower the grade.

Q. Over and above the 15 per cent, you think it would?—A. I do not know from personal experience, but some people will tell you that the tough wheat when mixed in with very dry wheat will absorb all the kernels; others will tell you that the moisture is never completely taken out of the tough kernels, in which case in the milling, I question if it would not be harmful. I am not a miller and am only taking other men's word for it.

The witness retired.

The committee adjourned until Tuesday, May 21, at eleven a.m.









SESSION 1929

HOUSE OF COMMONS

MINUTES OF PROCEEDINGS AND EVIDENCE

OF THE

SELECT STANDING COMMITTEE

ON

AGRICULTURE AND COLONIZATION

RESPECTING AN ORDER OF REFERENCE,—Re Grading  
and Inspection of WHEAT

No. 21

TUESDAY, MAY 21, 1929

WITNESSES:

Leslie H. Boyd, Chairman, Board of Grain Commissioners; Matthew Snow, a Member of the Board of Grain Commissioners.



## MINUTES OF PROCEEDINGS

HOUSE OF COMMONS,

TUESDAY, May 21, 1929.

The meeting came to order at 11 a.m., Mr. Kay presiding.

*Members present:* Messrs. Bancroft, Barber, Bock, Brown, Carmichael, Cayley, Coote, Descoteaux, Donnelly, Garland (Bow River), Gardiner, Glen, Kay, Lucas, Malcolm, McKenzie, McMillan, Maybee, Millar, Motherwell, Ross (Moose Jaw), Sinclair (Queens, P.E.I.), Steedsman, Stewart (Edmonton W.), Totzke, Vallance, Young (Saskatoon).

On the opening of the meeting Mr. Millar presented certain documents respecting grading by protein. The documents in question were handed to the Clerk for perusal and consideration by the sub-committee to report whether same should be printed in the record.

Mr. Donnelly moved:—That the Report of the Royal Grain Commission, 1925, the Interim Report of the Royal Grain Commission, 1928, and the Printed Evidence and Report of the Agricultural Committee, 1928, be filed and taken as evidence for consideration by this Committee. Carried.

Leslie H. Boyd, Chairman of the Board of Grain Commissioners, was called, sworn and submitted to examination.

At one o'clock the Committee adjourned until 4 p.m.

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The Committee reconvened at 4 p.m., Mr. Kay presiding.

Matthew Snow, one of the Members of the Board of Grain Commissioners, was called, sworn and examined.

Upon the examination of the witness it appeared that the commissioners were working on a statement of recommendation for improvement of the Grain Act, and it was deemed advisable to adjourn to permit such statement to be completed and presented.

The Committee adjourned until Wednesday, May 22, at 10 a.m.

A. A. FRASER,

*Clerk of Committee.*



## MINUTES OF EVIDENCE

HOUSE OF COMMONS,

TUESDAY, May 21st, 1929.

The Select Standing Committee on Agriculture and Colonization met at 11 o'clock, a.m., the Chairman, Mr. Kay, presiding.

Mr. MILLAR: Mr. Chairman, before we start this meeting, may I be permitted to say that we are drawing to the close of the taking of evidence, and this may be the last full meeting. In regard to two matters we were discussing, which are of considerable importance to those interested in protein, I wrote to Dr. Larmour, of Saskatoon, and also to Minneapolis, a laboratory in Minneapolis. I have here two very interesting letters, and I would like to ask to have them placed on the record.

The CHAIRMAN: If you will file them with the clerk, they will be submitted to the Sub-Committee.

Mr. GARLAND (*Bow River*): Mr. Chairman, let me at this stage protest against putting a lot of unread stuff on the record. If Mr. Millar will give us the gist of what is in these letters, we will decide whether we will put them in or not.

The CHAIRMAN: The Sub-Committee can read them, and decide whether they should be printed or not.

Mr. MILLAR: Professor Larmour has taken three varieties of wheat, Marquis, Reward, and Garnet, and on this diagram he shows the correlation between the protein and the strength of the flour for bread making purposes. That is a point we have been discussing. He says they have just completed an investigation into this very matter, and he gives us in his letter the results. Then Mr. Sherwood, of Minneapolis, deals with the same matter in reply to a letter I wrote him asking him about the relations between protein and the baking quality, dealing with the same matter. If it is the desire of the Committee to have them read, I will read them, only I desire to save time.

The CHAIRMAN: If you will leave them with the clerk, the Sub-Committee will examine them.

Mr. DONNELLY: Mr. Chairman, as Mr. Millar has just said, the work of our Committee is drawing to a close, and the Sub-Committee will be endeavouring to get out a report. I wish to move here, seconded by Mr. Vallance, that the report of the Royal Grain Commission of 1925, the interim report of the Royal Grain Commission of 1928, and the printed evidence and the report of the Agricultural Committee in 1927 be filed for the consideration of this Committee, in order that if there is anything in connection with these reports that we want to take as evidence and draw our conclusions from, we will be able to have them before us.

The CHAIRMAN: It has been moved by Mr. Donnelly, seconded by Mr. Vallance, that the report of the Royal Grain Commission in 1925 (the Turgeon Report), the Interim Report of the Royal Grain Commission of 1928, and the printed evidence and report of the Agricultural Committee of 1927 be filed and taken as evidence for consideration by this Committee. Is it the pleasure of this Committee to adopt the motion?

Motion agreed to.

The CHAIRMAN: Is there anything further? Gentlemen, we have this morning the members of the Board of Grain Commissioners, and I will ask Mr. Boyd, the Chairman, to take the stand.

LESLIE H. BOYD called and sworn.

The CHAIRMAN: Mr. Boyd has no statement to make, gentlemen; he is here to answer any questions the Committee wish to ask. I may say that Mr. Snow is also here.

*By Mr. Donnelly:*

Q. Mr. Boyd, with regard to the reorganization of the Board, we have two suggestions before the Committee. One is that we have a board of three, stationed in one central position, with deputies in each of the provinces, with their staffs, to look after matters, and the other is that we have a board of five, with one commissioner in each province, that is, one in British Columbia, one in Alberta, one in Saskatchewan, one in Manitoba, and one at the head of the Lakes. We would like to have your opinion as to which method would be the better of the two.—A. Mr. Chairman and gentlemen, from my experience I would suggest that you still retain three members on the board, provided they are located at one centre, but I think if you have outside men—you may call them deputies or travelling inspectors—located in the different provinces, the work of the board will be done much more efficiently. These men will be in closer touch with the producers in each province, and any complaints they may have to make in the country, or any inquiries that they may want to make, they may go directly to a field man or deputy, and if he is not in a position to settle or decide the question, the board will go to these centres from time to time to deal with these questions. From my experience I would much prefer to see the Board remain with three, with these outside men doing the field work, and I think you will get more efficiency in the field work. If you have five commissioners, one located in British Columbia, one located in Alberta, one located in Saskatchewan, and one located in Manitoba, it is going to be very difficult to have them assemble for full board meetings, and with the business growing as it is, it is very necessary that your Board should meet as a whole as frequently as possible. For that reason I think three men, if they are located in one centre, they can be there every day and when they get a call, can travel out to the coast, if necessary, and deal with the questions that come up from time to time.

*By Mr. Ross (Moose Jaw):*

Q. In your opinion, Mr. Boyd, at which centre in the West should the Board be stationed?—A. Well, it seems to me that Winnipeg or Regina would be the best. The difficulty about Regina is, that so many complaints go to the Board from producers which have to be settled at the head offices of the company, that is, you cannot get any settlement at the country points, and in particular with the line elevators you have to get into touch with the management. That is my judgment, and for that reason I think Winnipeg would be the better place to have it. I might say that Regina, in other ways is practically the centre of the three prairie provinces, and would be more strategic, in some cases.

*By Mr. Donnelly:*

Q. Do you not think that if you had one in each province you would not have uniformity of decision? One man would give one decision, and another man would give another decision, while if they were all in one place, there would be a uniformity of decision.—A. That would be my view.

*By Mr. Coote:*

Q. Have you had that difficulty in the past, that you did not get uniformity of decision?—A. I must be frank with you there, gentlemen. With regard to the location of the officers, as they are to-day, it has been very difficult for the three of us to be together at all times, more particularly when an important question came up for decision. If an important question came up, we would have to travel to Winnipeg or Mr. Snow could come to Fort William, involving a journey of 800 miles, which would mean a loss of a day more or less. If you are going to have the Board work together uniformly, those three members should be located at one centre. I am quite satisfied you will get more efficient work and get better results; for that one reason.

Q. Another question which has been suggested is, that we increase the authority of the Board, give them more authority than they have had heretofore under the Act; what do you think of that?—A. Well, the authority of the Board might be increased. It has been said that the Board has not been able to function to the fullest extent that it wanted, for the reason that its authority was limited. It is true in a sense that the authority of the Board is limited, in this way, that if any section of the Act provided a penalty the Board itself has no authority to enforce any penalty or punishment, unless we take the matter into court, apart from certain sections which give us the right to cancel licenses. But first we have to hold investigations, and when we get to a certain point, we have to resort to the police court or a magistrate's court to enforce the penalties provided in the Act.

My idea of investigating complaints, is that I do not think any producer should be compelled to file his statement under oath. I think that is a lot of nonsense. I think if any producer has any complaint to make, all he ought to be required to do should be to send it in to the Board, and then the Board should act; and not force the producer to go to the expense of going to a notary to have it prepared. But on the other hand, when we submit it to the companies we do not have to ask them to put their reply in under oath.

*By Mr. Garland:*

Q. Could you not have done so?—A. Yes, I suppose we could. In many instances we have done that, where it has got to the point where we could not get the case settled. But as far as the producer is concerned, I think that you might take it out of the Act, unless the Commissioners thought it necessary. As far as the complaints are concerned, I think they should be handled as promptly as possible.

*By Hon. Mr. Malcolm:*

Q. Mr. Boyd, did you deal with them when they were not sworn to by the producer?—A. Yes, many times. But when it came down to an important question, if the company disputed the claim, then to be sure that we would start right we would have to ask the complainant to put his complaint under oath; otherwise, if we were going to proceed very far, we might be met with the objection that the complaint was not before us in accordance with the Act.

*By Mr. Brown:*

Q. When the investigation was actually under way and the company had to appear, they would have to make their statement under oath?—A. Yes.

*By Mr. Garland:*

Q. Why was it that so many producers were called upon this year to complain, when they were in writing and in many cases the Commissioners would write back asking for the complaint to be under oath?—A. That was largely

because of the trouble we had last fall. We were trying to get these matters settled without going into the courts or having any litigation; and, in order to start correctly, as we were proceeding under a certain section of the Act, we used our judgment and thought it wise to ask the producer to put in his complaint under oath.

*By Mr. Coote:*

Q. Did you succeed in settling any of these cases without resort to a formal investigation?—A. Yes, Mr. Coote, we did.

Q. Without the complainant filing an affidavit?—A. Yes, we did. But in cases last fall, where we had dozens and dozens of complaints, we would not have been forced to go to all that delay had we been able to say that under the Act all we had to do was to ask Mr. So-and-so to put his complaint in writing, and then we could have got down to investigate it. But the Board feared if we made an investigation under the Grain Act our report might have been impossible to enforce in case the complaint was not under oath.

We have never had complaints get to the stage where it was necessary to take proceedings. We have had hundreds of complaints which have come in and been settled without having to go to the extent of going to court.

*By Mr. Garland:*

Q. I do not think there is anything in which the Committee is more interested than in giving to the re-organized Board the fullest possible powers to enable them to enforce the Act. You have had a long experience in connection with the working of the Act and in regard to its difficulties, and I wish you would give the Committee, as fully and in as intelligent a form as possible, information as to the powers of the Board.

Hon. Mr. MALCOLM: I do not think Mr. Boyd has been quite fair to himself. Mr. Boyd suggested to me last fall the very point which he is suggesting now, that it should not be necessary that the complainant should file an affidavit. He did not make it officially.

*By Mr. McMillan:*

Q. In case of a complaint being sent in, you do not know how far it is going to go and you do not know whether it is necessary that he should make his complaint under oath. Why not start in the right way?—A. Do I understand you to mean that he should file it under oath?

Q. Yes, if you get into court with a complaint, what are you going to do with a complaint for which you have not the proper foundation?—A. That is quite true; but in so many instances the complaints are of a trivial nature, and yet you do not know how trivial they are going to be until you investigate them.

Q. Nor yet do you know how serious they are going to turn out to be?—A. Nor yet how serious. That is quite right. Supposing the complaint is not under oath, the Board will travel to that point and hold an investigation under oath, anyway; and the Commissioner will take the evidence under oath; and we have it all taken under oath by a stenographer and the evidence extended. If it gets to the stage where an investigation is necessary, you go then and get it under oath.

The CHAIRMAN: Mr. Garland asked Mr. Boyd a question.

*By Mr. Garland:*

Q. I think we should be getting close to practical matters if we get an answer to my question. My reason for asking the question was a statement which was made before the meeting of the U.F.A. by one of the members of

the Board, in which he said: "It has been evidently overlooked by the Board or the spokesman for the Board that the Board of Grain Commissioners has no more authority to carry out any of the provisions of this Act than any delegate in this room. They have unlimited scope as to making regulations but they have no authority to enforce them."—A. I think you are right, and I think what my colleague meant by that statement was that when it got to a certain point we had to go to the police court. I think that is what he really meant. I think his statement was too broad, because I certainly would not agree that we have no authority to enforce.

Q. I take it that the companies have been the offenders or the only ones against whom you had serious complaints?—A. Yes.

Q. And they have ignored or refused to accept the rulings of the Board?—A. I do not say that.

Q. Then why do you say that you have to go to the court?—A. If it gets to that stage.

Q. Well, has it got to that stage?—A. No, I cannot say that we have had any case sufficiently serious to go to a court, apart from a case in Manitoba on a Commission License.

Q. Have you not had cases where a company flatly ignored or refused your rulings?—A. I cannot recall them. If you will suggest any specific one, it might recall it to my mind; because at the moment I cannot recall any.

Q. I will bring down some correspondence later, and we can go into that. In the meantime, I would like you to give us your advice in the matter of the re-organization of the Board and of the Act.—A. It might be that certain sections of the Railway Act could be incorporated in the Grain Act, as the powers of the Commissioners are concerned. There are certain sections which I can give you later.

*By Mr. Coote:*

Q. To what do they relate?—A. They relate to the authority of the Railway Board to adjudicate, with a right of appeal. It would be necessary, if the Board of Grain Commissioners had the right to adjudicate, that there should be the right of appeal to the Minister or to a court.

*By Mr. Ross:*

Q. The appeal goes to the court?—A. Yes.

*By Mr. Garland:*

Q. Are you through, Mr. Boyd?—A. I would prefer to talk more in detail, later, if I may.

*By Mr. Donnelly:*

Q. I understood, Mr. Boyd, that the only penalty you can impose is one of cancelling the license. Do you think it would be wise to have fines, that the Board should have authority to impose heavy fines for breaking the law.—A. I am not very strong for the cancellation of a license. If you take it at a particular time, like last fall, when we had need for every bushel of storage space, you might be doing a very great injustice to the producers if you cancelled the license of an elevator, unless you had authority to take over the elevator and operate it yourselves; because you would be cutting out that much necessary storage space. It seems to me that a fine, with the power in the Board to enforce it, would be well to be covered.

*By Mr. Lucas:*

Q. Would it be possible, Mr. Boyd, to cancel the license of the elevator and take its operation over by the Board?—A. I do not think it.

*By Mr. Coote:*

Q. Has the Board ever cancelled a license?—A. No, not at any time since 1912, has a license been cancelled.

Q. In the Turgeon Commission Report, at page 154, coming back now to the suggestion for a re-organization of the Board, they say:

We do strongly recommend that the Board should be supplied with sufficient expert technical and clerical assistance to enable it to accomplish its routine duties and at the same time to have opportunity to give a large part of its attention to its general functions of supervision, discipline and control over the Grain Trade.

I would like to ask you whether that has been done?—A. No, Mr. Coote, it has not.

Q. I would like to know whether you have been supplied with any extra assistance since that time?—A. Our staff has been increased, but not to the extent that it should be. As a matter of fact, as far as I am concerned, I have always been in favour of travelling inspectors for the prairie provinces. It is very difficult to get men under the salary which we are allowed to pay to them, of \$200 a month. You certainly cannot get the men that you would want on that job. Those men must have a knowledge of the Grain Act; they must have a general knowledge of the operation of elevators; and they must have tact, if you are going to send them out through the country to deal with questions and problems which come up from time to time.

I am strongly in favour of those men being put on and paid a salary which will attract men with the technical knowledge which they would require.

Q. Has the Board ever discussed it with the Minister?—A. I cannot say that we have made any official recommendation; but I have discussed it with Mr. Malcolm since he became Minister.

Q. Further on, on the same page of this report, it says, at the top of page 155:

The Board has the power to license elevators and to revoke licenses. We believe that there follows from this power the obligation to exercise some measure of inspection of the way in which operators of elevators and other licensees deal with the grain producers. We have already stressed this point in regard to country elevators.

Now, since this report was issued, has the Board made a practice of inspecting country elevators, so that you could be advised in your own minds as to the way in which these elevators are being conducted?—A. Mr. Coote, that was practically impossible with the staff that we had, as I said before. We have looked around to try and find men of the proper calibre to do that inspecting. With five thousand country elevators we would have to have quite a staff to move around and check up the operation of these country elevators. And to find these men, to my mind, is most important.

Q. I would just like to know whether anything more has been done since that time in regard to supervising the operation of country elevators than was done previous to 1925?—A. I cannot say. Mr. Coote, that very much more has been done.

Q. Then, following that passage, the report goes on to say:

The Board should be an itinerant Board in the same way as the Board of Railway Commissioners, and should visit from time to time convenient points in the grain growing areas to hear complaints and to remedy grievances. We believe that if it acted in this way it would perform a very great service to the grain growers and to the grain trade in allaying discontent and creating conditions of confidence in this industry.

Could you tell us what, if anything, has been done since that time to make the Board more itinerant in its characteristics? What public meetings have been held by the Board in different parts in the grain growing areas?—A. I cannot say, Mr. Coote, that we have set out any specific itinerary. From time to time we have been at country points; but we have made no special itinerary.

Q. Any meetings, then, that the Board have outside of its head office, would be to deal with some specific complaint?—A. Yes, that is correct.

*By Mr. Young (Saskatoon):*

Q. Whenever there was a major complaint of any kind, the Board went there and investigated at that point, did they not?—A. Yes, sir.

*By Mr. Coote:*

Q. I presume we could get the number of the meetings of that character which the Board has held, and where they were held?—A. Yes, the secretary could furnish that.

*By Mr. Millar:*

Q. I think you said you had not revoked any license. Have you ever found it necessary to give a gentle hint that a license would not be granted?—A. Well, I cannot say that we have found any matters of sufficient seriousness to suggest that.

*By Mr. Ross:*

Q. Under the Act as it reads now, have you authority as a Board to supervise and check any country elevator, if they wanted to?—A. Yes.

Q. In every way?—A. Yes, we can call for their records and their books and everything else, under the Act. That power is there.

*By Mr. Young:*

Q. And as a matter of fact, Mr. Boyd, if a complaint is made, you do make that inquiry?—A. Yes, we do.

*By Mr. Garland:*

Q. Mr. Chairman, this is a very interesting point. There may be some confusion in the minds of some of the members of the Committee, as there has been in some of our minds as to just what is meant by an investigation. There is an investigation, I take it, almost always held when you receive a complaint?—A. Yes.

Q. The thing we are interested in is when the hearings were held—you do not say that a hearing has taken place in every case?—A. Oh, no.

*By Hon. Mr. Stewart:*

Q. The point I want to make clear, Mr. Boyd, is this, that if the complaint is of a character which requires an investigation, an investigation is held?—A. Yes, that is so.

Q. If it is not considered of that character, then the investigation is not held. I do not see why you should demand an investigation on every complaint, unless it would be necessary, and its necessity would be left to the discretion of the Board?—A. There are many of them come in which are of a trivial nature, but sufficiently important to the man making the complaint, so that it requires the same attention from the Board as would be given to a matter of more serious character. If in investigating a trivial complaint we are able to show to the company that they are wrong, we are able to get an adjustment. I may say that I believe nine times out of ten the producer has had the benefit of a favourable interpretation of the Board.

*By Mr. Garland:*

Q. If it all works as smoothly as that, I am puzzled to know why you advise the appointment of the travelling inspectors?—A. For the very reason that the business of grading grain has grown tremendously, and in my opinion the Board would be able to get much more information; and the Board cannot have too much information in regard to the operation of country elevators. It is impossible for the Board itself to visit five thousand country elevators.

Q. I do not think anybody has suggested that, Mr. Boyd.—A. No, but I do think if we had travelling inspectors we might get more information. We might get some information from a particular point that at a certain elevator there is something wrong. We would wire our man to go there.

Q. In the past you have not undertaken such an investigation?—A. No, we have not had the men to do it.

*By Mr. Coote:*

Q. Were you furnished with a copy of the Turgeon Commission's Report?—A. Oh yes.

Q. That very thing, it seems to me, is recommended in that report.—A. Oh yes.

Q. The question which naturally arises in our minds is whether you took the three years which have elapsed since that time to recommend that inspectors should be appointed?—A. We have talked it over two or three times in the Board, and I have always been of the opinion that if we could find the men we should put them there.

Q. Did you have any authority to put them there?—A. Yes, we had at \$200 a month.

Q. Did you make any recommendation to the Minister of Trade and Commerce?—A. Nothing more than I spoke to the Minister last fall about it.

Q. Last fall is a long time after the report?—A. That is true. After the trouble we had last fall it was very apparent that if these things were to continue to exist some check would have to be put on the outside elevators in the country; and the way to do it was not by appointing more Commissioners but by appointing inspectors outside who would do the work.

Q. Then may I say that the reason you suggested it to the Minister last fall was because of the pressure brought on you by the country, and not because of any knowledge which you had before of its need?—A. No, I cannot say it was because of pressure being brought on us. It was because of a more determined realization that those men were necessary.

Q. What made you realize more that it was necessary—was it not a condition which grew up in the country?—A. Yes, that is true, it was a condition which grew up in the country.

Q. Would it not be better policy for the Board to ask the Minister for anything that the Board considered necessary, without waiting for the country to get into the situation which they were in last fall?—A. Perhaps that may be quite right.

Q. If we had had these five Commissioners and paid the proper salaries, and if they were situated in the different provinces to hear the complaints and deal with them properly, do you think that perhaps there would have been less dissatisfaction in regard to the matter than exists now?—A. I doubt it, Mr. Coote, because we have had conditions for the past three or four years which no Grain Commission in the world could have avoided. I am speaking of the climatic conditions which affected the crop. We all know what the two Tough and Damp crops were, and we know what the last year's crop was. To my

mind those conditions were a very serious element in creating dissatisfaction. I know if I had been a producer I would have looked somewhere to find who had caused me all that trouble.

*By Mr. Vallance:*

Q. If we decide to appoint these inspectors, and apparently you think it is necessary they should be appointed?—A. Yes.

Q. As Chairman of the Grain Board, would you suggest that these men be absolutely under your control to hire and fire, and not under the Civil Service Commission?—A. Yes. I was pretty abrupt with that answer, and correct too. In many ways the Civil Service Commission are of great benefit; but in matters of this kind, where the Grain Commissioners know the quality, the capacity and the ability of the men they are engaging, we ought to be able to engage them at a salary; and if they are dissatisfied with them, to let them out and get other men to take their places.

*By Mr. Garland:*

Q. Mr. Boyd, did you find much difficulty in deciding under which of the investigating sections of the Act you should carry out any investigation?—A. I do not think so, Mr. Garland. Section 108 is very clear.

Q. And Section 166 also?—A. Yes.

Q. They are not quite on a parallel, by any means?—A. No. I would suggest that all investigations be included under one general clause, whether they be on complaints against terminals, company elevators, commission agents, or anybody else. Make a general investigating clause.

Q. For example, under sub-section 4 of section 108, the Board shall apply such remedy as is provided by statute and shall institute proceedings at His Majesty's expense whenever it considers a case proper therefore. What remedy is provided?—A. The only remedy that is provided is the General Penalty Clause in the latter part of the Act.

Q. That is not a remedy.—A. It is not a remedy; but the way the Act is to-day, that is the only remedy you can find; and I agree with you that it is not a remedy.

Q. Have you made any general analysis of the Act, or any recommendations at any time with respect to its improvement, officially?—A. Not in the last three years—not since the Act was revised.

*By Mr. Coote:*

Q. Under this reorganization of the Board which you suggest, that the Board should be continued a central Board of three members, and the others as inspectors or sub-commissioners, just what duties would the central Board perform, and what duties would be delegated to the sub-commissioners or inspectors?—A. I would continue the authority of the Board the same as it is to-day, that is that it be administrative, and quasijudicial in its executive authority. Then the Board might by regulation delegate to the men in the different provinces certain authority to perform certain duties and do certain work in connection with the general administration of the Act. I think you could set out a series of regulations by giving the Board the power in the Act to delegate. And those regulations would set out just what these field men could do, how they are to report, and what would be done with reports which they had made. I think you could delegate a good deal of that work, and I am quite certain in my own mind that you will get a lot of efficiency out of an administration of that kind.

*By an Hon. Member:*

Q. When you say delegating, I take it you do not mean divesting the Board of its authority?—A. Oh no.

[Mr. Leslie H. Boyd.]

*By Hon. Mr. Malcolm:*

Q. I think it is only fair that the Committee should understand that after the Turgeon Committee report was made a Committee of Parliament sat?—A. Yes.

Q. And three years ago, after the Turgeon Investigation, certain recommendations were made by this Committee to Parliament, and were incorporated in the Act?—A. Yes.

Q. So that whatever the Committee of Parliament thought of the Turgeon Report, the changes in the act were made by Parliament on the report of this Committee which was considered the Turgeon Report.—A. Yes.

Q. From that time in 1925 when the Committee revised the Act in the light of the investigation which the Turgeon Commission held, no further Parliamentary enquiry was made into the Act, I think, with the exception of an amendment to Section 150. From that time until last summer, when certain problems in connection with the operation of country elevators arose, no discussion by Parliament or by the Department took place with regard to further revising the Act. Is that not true?—A. That is quite true.

Q. During the past fall you for the first time discussed with me the suggestion that the Parliamentary Committee dealing with the Turgeon Report, had not gone as far as it should have gone in connection with the appointment of inspectors which in your personal opinion was advisable, but that your Board as a board in discussing these recommendations and investigations had not been unanimous in recommending it to me officially as Minister. That is really the situation which exists in regard to any parts of the Turgeon report that were not carried out in full; that is, they were not carried out because the Parliamentary Committee did not recommend them to the House. But had that Committee recommended them, I have no doubt they would have been incorporated in the Act, and from that time until last fall you did not see fit to make any recommendations that the Committee had not made.

*By Mr. Garland (Bow River):*

Q. You knew of course the Act required further revision on that point, but you did not bother making a report to the House?—A. I would not say that I did not bother. I must frankly tell you I have devoted a great deal of time in going over the Act in the past three years, to see what further suggestions could be made after the Act was passed.

Q. That is exactly what I would like you to announce to the Committee, the result of that close study of the Act in the last two or three years. It will help us as much as anything else if you will give us that.

*By Mr. Millar:*

Q. Did you give that to the members of the Brown Commission?—A. I beg your pardon?

Q. Have you given that to the members of the Brown Commission?—A. Not yet.

*By Mr. Garland (Bow River):*

Q. Can you give that to this Committee?—A. Not off-hand, but I shall be glad to do so.

*By Mr. Glen:*

Q. Later on?—A. Yes.

Q. When?—A. Well, it is very difficult for me, with my eyes. I am not allowed to read, at the present time. I will have to go over the Act, either with a secretary or somebody else again.

*By Mr. Garland (Bow River):*

Q. You made no notes?—A. I made no notes. Just from time to time, sitting in my office, as questions came up I would look at these sections to see what changes might be made.

*By Mr. Millar:*

Q. I hold in my hand a letter written by Mr. McKenzie, of Saskatoon, who says the shrinkage, which does not seem to be very large, is about 20 pounds to 60 bushels. He takes the crop as amounting to 550 million bushels; I think he is out in his figures there. How is that shrinkage fixed; assuming that you consider it justifiable, how would you justify it? Is it fixed by the Board?—A. Yes. That shrinkage table is set, as you are aware, at a tariff session, at which everybody is present, that is everybody is invited to be present. During the past three or four years the Pool representatives have been present, and have put their stamp of approval on this as being a fair allowance.

Q. When you say everybody is present, just what do you mean?—A. Everybody is present who has an interest in the tariff session. Everybody is invited.

*By Mr. Ross (Moose Jaw):*

Q. Mr. Millar's question was not fair, was it, if it takes the outside figure for the crop of Canada and assumes that it is all marketed through the elevators, with the shrinkage taken off, it would be very much less than that?—A. Yes.

Mr. MILLAR: I said that this man was off in his figures, but these are the figures in the letter.

*By Mr. Coote:*

Q. Coming now to the powers and duties of the Board, they are given on page 5 of the Canada Grain Act.

11. The Board may authorize any commissioner to hold any inquiry or make any investigation in any part of Canada.

Then we have Section 12.

There may be appointed in the manner authorized by law, any person who has special or technical knowledge, in respect of any matter before the Board, to assist the Board in an advisory capacity.

Do you think that under these two sections, provided you were furnished with sufficient money by the Minister you could appoint inspectors, at least as competent as the inspectors you have, at all events under the Act as it is now? Or do you think it is advisable or necessary that we have some further powers than those provided in the Act?—A. I think these sections might be sufficient to carry it through, provided the Board could appoint these inspectors and fix their salaries, and not have them fixed by law, which means the Civil Service Commission.

Q. Under some other sections of the Act, as the Act is now, you would have to have the salaries fixed by the Civil Service Commission?—A. Yes. I think if that were put in the Board could operate, and appoint such inspectors as they think necessary from time to time, at a salary fixed by the Board but approved by the Minister.

Q. That is all that would stand in the way, at the present time?—A. That is all.

Q. Those two sections with that addition would give you the power to appoint the necessary men?—A. Yes. I know, Mr. Coote, that some four, five or six years ago I went out on an itinerary of my own; I was authorized

by the other members of the Board, and I held 12 or 14 investigations of complaints that came in. I went out myself and came back again, on that section you have read. Sometimes it is not convenient for all the members to travel out. Take Mr. Snow, for instance, he goes out from Winnipeg quite frequently; he is delegated or authorized by the Board to hold an enquiry or an investigation, and he goes out and does it.

*By Mr. Ross (Moose Jaw):*

Q. That Board as a board has plenty to do without doing that work, have they not?—A. They have, but at the same time I think there are certain investigations the Board should carry out.

Q. After they have reached a certain point, they should go and hold an investigation as a Board?—A. That is right. I know we have gone out on some complaints which were of a trivial nature, but which were as important to the producer as if the claim were for one thousand dollars. We have gone and investigated it.

*By Mr. Coote:*

Q. Are these investigations or hearings held by the Board or by an officer delegated to hold them?—A. Not by an officer unless there were a complaint about inspection or weighing. We might ask our chief inspector or our chief weighman to investigate and report to us, but ordinarily it would be a member of the Board.

Q. In a case like this, where a car was bulkheaded, and when it went to the terminal the car was emptied without the bulkhead being removed, the shipper suffered considerable loss as the car would be graded mixed wheat and oats, in a case like that if an investigation were held it would be by one of the members of the Board?—A. Yes. The technical men would be heard, to enable the Board to decide.

Q. I want to find out whether in the past any man or officer of the Board has been sent out to conduct a hearing?—A. No, I cannot recall any case of that kind.

*By Hon. Mr. Stewart:*

Q. In the tentative proposal, at all events from what appears to be a tentative proposal for an inspector or some person acting on behalf of the Board to hold an investigation—I am anticipating the proposal—it will be necessary that that member should have all the authority of the Board, with the exception that you speak of; that is, if the Act does not give him that authority it would have to give it to him?—A. Yes.

*By Mr. Carmichael:*

Q. Have you given any thought as to how many field men it would take to handle the situation at the time of the crop being moved, in the crop season?—A. You would need more men, if you got them of a temporary character, but you might put on a staff of permanent men that at other seasons of the year you would not require. If you are going to do this thing properly, this is what you will require; one man in Edmonton, one man in Calgary, one man at Regina or Moose Jaw, one man at Saskatoon, one up in the north of Manitoba, and one down south. You would want at least six men, that is, if you are going to put men in a position of easy access to the producer, so that a man can get his case to an official in as short a time as possible. If you were to do that, that would eliminate a lot of complaints, if the producer felt that there was somebody near at hand he could go to.

Q. You would recommend a permanent staff of six, which could be increased in the busy season?—A. Yes, if necessary.

*By an Hon. Member:*

Q. What about Vancouver?—A. I do not know that it is necessary to have one there at present. It might be well to have an officer there. He would have to be of a different character to the men you are going to have on the prairies.

*By Mr. Ross (Moose Jaw):*

Q. Would not those be complaints regarding weight or inspection, altogether, practically?—A. Yes.

Q. And could be handled by the officials that are there now, pretty well?—A. I think they could be.

*By Mr. Coote:*

Q. Whichever suggestion we may finally decide to adopt as to the new Board, three or five or six officials, would you not say that it was very desirable that those commissioners should be in as close touch as possible with the producer?—A. There is no doubt about that, Mr. Coote.

Q. Looking at it from that standpoint alone, there possibly would be a good deal in favour of having a board of five stationed at different points, no doubt they would be in much closer touch with the producer?—A. Well, the more members you have, the more difficulty you will have in getting them to come together for board meetings, and I feel that if you are going to have a board, the oftener you have the Board meet, the better the results, and the more efficiency you are going to get.

Q. There are several angles to most questions, and I am trying to see them all. In the interim report of the Royal Grain Commission which is now sitting in Saskatchewan, they bring out, or state rather, "if two different standards were being used to judge grain," that is, grain coming out of private terminals at Fort William—I wonder if the Board in the past have interested themselves in things of that nature; that is, have they been keeping in a position to be informed of the practice which obtained in the Inspection Department?—A. Well, I can say Mr. Coote, as being one of the resident commissioners at Fort William, where all the outgoing grading is done, I kept quite closely in touch with Mr. Symes, and I know Mr. Robinson did too, and I from time to time would enquire from Mr. Symes how the standard was being kept up coming out of the private houses, and I have discussed it with him, with the result that he made this standard. I should not use the word "standard"; he made this sample as a guidance for his inspectors, to keep up the grade coming out of the private houses.

Q. The point I have in mind is this: how far should the Board of Grain Commissioners themselves go in the supervision of the Act? In connection with the Inspection Department, there has been a pretty general feeling that the Board exercised no supervision over the Inspection Department. I would like to have a statement from you in regard to that, if you can give it to the Committee?—A. I can say this, Mr. Coote, that I have refrained from interference with the inspection of grain as carried on by the inspectors, so long as we thought that they were grading the grain in accordance with the Act, in the statutory grades and the commercial grades as set by the Standards Board.

Q. Right at that point I want to know whether the Board had taken any steps, or whether they had concerned themselves with that question, whether the inspection or grading of grain was being done in accordance with the terms laid down in the Canada Grain Act, or whether they took it for granted the

inspector was running that satisfactorily?—A. I would not say that, Mr. Coote. We have had from time to time, as a matter of fact every time Mr. Robinson and I went to Winnipeg, we conferred with Mr. Snow, and we have had at all times Mr. Fraser down to discuss the grading of grain and how things were going. If there were any troubles, we always did that.

Q. If any complaints came to the Board, you would discuss them with the Chief Inspector?—A. Yes. We would bring him down, and he would make a report to us.

Q. If the Chief Inspector had any major complaints or in any season, when there were many complaints or dissatisfaction, he would discuss them with the Board?—A. Oh, yes.

*By Mr. Donnelly:*

Q. In appointing the Board, do you think it would be well to change the term of office, making it a five or ten year term?—A. I will give you my own opinion upon that. I think that if you are going to select commissioners, they should be appointed in the same way as judges. If you want to get good men—and that is what you are after—if you pick out a man and say, "Here is a man qualified to hold the position of a grain commissioner," he should be given the same term as a judge, and be removable for cause. You select men for ten years now. I do not think ten years is too short a time. The position is a very important one, and if you want to get men who are willing to take the job, they will only take it if it is for a period of time which will give them a decent living out of it. The men you select are going to be selected from men in some walk of life, who have knowledge and experience of the grain trade, and they will not give up their present positions unless you make it sufficiently attractive for them.

*By Mr. Coote:*

Q. You could not get up any argument like that in regard to members of Parliament, I suppose?—A. Well, I do not know, Mr. Coote, I think it might apply more to members of Parliament. I think they would have even more difficulties than the Grain Commission.

*By Mr. Vallance:*

Q. Than with the Grain Commissioner?—A. "With" and "than."

*By Mr. Garland (Bow River):*

Q. Are you having any troubles now, any complaints or difficulties, in any part?—A. Not at this time of the year.

Q. Is there a period of the year when they let up on you?—A. Yes.

Q. At about what time?—A. Well, Mr. Garland, you do not get many complaints when the grain is moving. You may get complaints about unload, and that sort of thing, but the complaints you get from the producer come in after the close of navigation, and then they carry on through the winter, as they get their returns.

Q. At this time of the year and for some months you will not be very busy?—A. Not very.

Q. You will have time to check up on the general situation in the country?—A. Yes.

Q. You have time to check up on the country houses, and so on?—A. What do you mean by that, Mr. Garland?

Q. You could have gone into the district and looked over the situation?—A. We might have done that.

*By Mr. Ross (Moose Jaw):*

Q. Do you think you are appointed to do that sort of work yourself, or is that not work for an assistant and not for the members of the Board? Do you not think you have enough work outside of that?—A. Personally I do not think that should be the duty of the Grain Commissioners, except in important matters. I think if you had these men, that work could have been done by them, and these men could report to the Commission.

*By Mr. Coote:*

Q. Forgetting the past, and looking to the future, do you think such a board as perhaps we have in mind now, during the slack season of the year might hold meetings throughout the grain-growing districts, a number of meetings, and do the work which is now being done by the Royal Grain Commission of Saskatchewan, and which has been done in the past by different grain commissions, so that we might keep up-to-date with all changes necessary in connection with grain supervision?—A. I think that is quite in order, Mr. Coote.

*By Mr. Garland (Bow River):*

Q. Do you not think it necessary?—A. I think it would be a great benefit.

*By Mr. Coote:*

Q. It would not be working any hardship on the Board, or giving them too much work to do?—A. No. Quite frankly, there are times that I think the Board should call meetings, advertise them, and say that we should be glad to hear anybody who wants to attend.

*By Mr. Garland (Bow River):*

Q. That would avoid a lot of trouble?—A. That is right.

*By Mr. Coote:*

Q. Once a year you make a report to the Minister?—A. Yes.

Q. Would it not be well to incorporate in that report any suggestions that occur to the Board as a result of their deliberations at these hearings, and pass their recommendations on to the Minister?—A. Yes.

Q. I notice in the Turgeon Commission report that they say they are of the opinion that the annual reports should contain a full account of the activities of the Board itself during the year. I do not remember reading in any of the reports that record of the activities of the Board during the year. It seems to me that the annual report would be a fine place to put that in?—A. I will explain that, Mr. Coote. Five or six years ago we did print a much larger report than you get now, and I think we were asked by the Department to cut the expenditures down. We tried to put into the Report everything we had been doing during the year, which might appear of any importance, or if the Board thought there should be a record of it, it would appear in the Annual Report.

Q. If that were done, the Minister and the House would have some idea of what the Board were doing?—A. No doubt.

Q. I take it that the suggestion from the Department occurred before the present Minister came into office?—A. Yes sir. I am not referring to the present Minister. To be fair to the other Minister, it was at a time when all departments were asked to cut their estimates down to the bone.

*By Hon. Mr. Malcolm:*

Q. That is, for stationery and printing?—A. Yes.

*By Mr. Garland (Bow River):*

Q. You of course think it would be a good thing to keep in as close touch with the producer as possible, and to hold these meetings in the off season of the year?—A. I think so.

Q. Do you not think it would be a very good thing and necessary that the whole Board should from time to time travel over to our biggest buyers in Europe and study the conditions there?—A. Well, I will say this, Mr. Garland, that some five years ago, when the Honourable Mr. Robb was minister, he sent me over there with Mr. Serls, and I must admit that it was of great advantage to me, and they were very glad to see somebody over there. Subsequently Mr. Robinson and Mr. Fraser, our chief inspector and our secretary, went over, which I think was a very good thing. I think that from time to time we should make a trip, so that we may keep in touch with the men who are buying our product. A periodical trip like that would be very beneficial.

Q. In that case, do you not think it would be advisable, in order that the service required of the Board should be fully and properly performed, that a board of five, two or three of whom could undertake the European trip, and the others could keep up this contact with the producers, which is so essential, more essential than the European trip?—A. Quite so. I am giving you my opinion from my experience. I think you will all agree that a board of three works more efficiently than a board of five could. You are more likely to be in accord, your discussions would not be quite so long. In matters such as you suggest a board of five would be of benefit.

*By Hon. Mr. Stewart:*

Q. Do you not think it would be a rather unnecessary expense, to send three members of the Board? My suggestion would be that one member of the Board could go to the principal markets of the world, once a year, and the others remain in Canada because after all the producer is the man who is making the most noise and who should be looked after?—A. Yes.

*By Mr. Coote:*

Q. If any recommendations of the commissioner who went to the Old Country were incorporated in the report to the Minister, that would help to keep the members of the House of Commons supplied with those changes you think are wise?—A. Yes.

*By Mr. Garland (Bow River):*

Q. The Brown Commission's Interim Report recommended the licensing of country elevator agents?—A. Yes.

Q. What is your opinion of that, licensing by the Board of Grain Commissioners?—A. That means in round figures that there would be 5,000 country elevator agents licensed. I presume the least amount you would charge them would be \$5. The difficulty I see would be this, you have a great many of these men who do not act for very long, sometimes you know they prove of no value, and are let out.

Q. That is the trouble?—A. That is the trouble. Would the licensing of those men be of any benefit? That is the thing I am not so sure about. I am trying to turn over in my mind where the benefit would come from this licensing.

*By Mr. Bancroft:*

Q. Would it be possible for the Board to know anything about the majority of these men?—A. The only way to do that would be to make the country line elevators responsible, and license the agents through the country elevator. That is the only way you could do that.

*By Mr. Garland (Bow River):*

Q. The Brown Report goes into that and covers it very exhaustively. I take it that if it is proposed to have a board of three, with resident commissioners or field men, or whatever you may call them, the elevator agents could apply to the local officers of the Board in each of the provinces, and the new ones at least will undertake to pass the required examination as to their fitness for the position?—A. Yes.

Q. Because frankly you will admit that from your own experience most of our problems arise from disputes between the buyer and the local elevator agent?—A. Yes.

Q. They have not kept to the Act, they know nothing about it, and care nothing about it in most cases to-day?—A. I would not want it understood that any remarks I have made in reference to that would be taken as against the recommendation, because after all, whether they are licensed or not, it is a question of procedure. If you are going to license them, and you would have a control over them that the Board have not got now.

Q. That Brown Report reads as follows on that particular point, "the Board in requiring a license from an elevator agent would naturally act with discretion and so as to not create unnecessary difficulty or inconvenience." The Report suggests at the outset that it would be a real step forward, if all agents were required to take out these licenses as the Board might prescribe. You would have no objection to that?—A. No, I have no objection to it at all. I am trying to see how you are going to put it into practice.

Q. You think that if it could be put into practice that it would result in a benefit?—A. It would not result in any harm; it would be a benefit, I should think.

*By Hon. Mr. Malcolm:*

Q. At the present time country elevator operators other than those operating pool country elevators are registered with the Winnipeg Grain Exchange, are they not?—A. Yes.

Q. What manner of test is applied to show the suitability of these men before they are engaged—is there any?—A. Yes, there is. The Northwest Grain Dealers' Association has a system of checking these men and they have a record of all the men who have been country elevator agents; and when a man applies for a position to a particular company, that company in turn goes to the Northwest Grain Association to find out what kind of a character he has and whether he is a reputable man who is a proper man to be put in as an agent.

Q. So that, so far as the trade is concerned, they have some knowledge and some record of the class of men employed?—A. Yes.

Q. So far as the Pool is concerned, has not the Pool something similar?—A. I believe so.

Q. So that there is some knowledge on the part of the grain dealer and of the Pool officials as to the qualifications of the various men who would be applying to them for positions. Then with that knowledge before them at Winnipeg, it should not be a very difficult matter to select men.—A. I should not think so. When you have to select five thousand men, you cannot get that many men one hundred per cent efficient.

Q. I do not suppose you have any figures to verify it, and it would have to be just on your opinion, what percentage of removals is there throughout the country in a season?—A. We have no record of that, Mr. Malcolm.

Q. You have not heard of any great number of dismissals?—A. No.

Q. But there are changes taking place from time to time?—A. Yes.

Q. For cause, mostly?—A. Inefficiency, I suppose. It is just as much in the interests of the private company, Mr. Malcolm, to see that they have got

good men, because they may cause them tremendous losses, in the same way as they might hurt the producer. So that they are interested in having the best men they can get.

Q. So that if these men were to be licensed pursuant to the report of the Brown Commission, you would feel that once a man had been removed for cause his name should be taken off the list?—A. Yes.

Q. But the cause for which he was removed might be that he was not acting in the interests of the company buying grain?—A. It might be.

Q. And the producer might feel that the man was a very good country operator?—A. Yes.

Q. So that as a Board of Grain Commissioners you would be immediately faced with having to decide whether or not the cause for which the man was dismissed was in the interests of the producers or not?—A. Yes, that is possible.

Q. Do you think it is physically possible for a Board of Grain Commissioners to adjudicate upon the decision of the Pool on the dismissal of one of their men, or upon the dismissal by one of the line companies of one of its men, as to whether it was proper or not?—A. That is one of the difficulties which I had in my mind, as to whether it was practicable or not.

Q. Does it not come down to this, that in the dismissal you would leave it to them, but the Board would be faced with whether it was justified or not?—A. Yes. The moment you license these men, if they are dismissed you would in fairness to them have to give them an investigation.

Mr. GARLAND: May I finish this particular point?

*By Mr. Garland:*

Q. If an elevator agent is licensed by your Board, that merely means that you give him a license to operate at a warehouse, and no particular company or Pool is concerned in that particular license. Is there anything in your licensing of the men to prevent the company firing him, if they see fit?—A. I would not think so; but the question to my mind would be this, if the man applies for a license, how is the Board to know that he is sufficiently qualified to act as an agent, so as to give him a license? We have to go somewhere to get that information.

Q. The Brown Commission has worked that out to some extent, and the working of it out is something for the Board to work out for themselves. Certainly one of the requirements would be that he should have a knowledge of the Grain Act?—A. Surely, that is so.

Q. And you know from your own experience that most of them do not know that Act?—A. Yes.

Q. Section 167 of the Act now provides that the Board not only may dismiss an elevator agent, but also may provide that he shall not be hired by any other company.—A. Yes.

Hon. Mr. MALCOLM: To dismiss, but not to adjudicate upon the dismissal by somebody else.

*By Mr. Garland (Bow River):*

Q. Let us clear that up. In your opinion, if the Pool hires a man who simply has a license which you have given him testifying that he appears to be a suitable man so far as his knowledge of the Act is concerned, and so far as the grading of wheat is concerned, if you can bring that to bear, at all events whatever knowledge he has you have licensed him; and if the Pool employs him and then fires him, would you have anything to do with it?—A. It seems to me that we might be called upon to inquire why he was dismissed. Taking

the other side of it, if a man has a license from the Board and the Pool is looking for an agent, and this man says "I want this job" and the Pool says, "No, we do not like your past record and we will not engage you," he comes back to us and says "What is the use of you giving me a license? I have a license to operate a country elevator and I have gone to them and they say they do not want me." That raises trouble.

*By Mr. Donnelly:*

Q. We give men authority to run an engine, and a man gets a license, but we have nothing to do with whether he is hired or fired.

*By Hon. Mr. Stewart:*

Q. I think, Mr. Boyd, you would be going a little bit too far. All you have to do is to set the examination; the man passes that examination, and you grant a certificate that he has passed that examination. I think it would be folly to go further than that in connection with your license.—A. If that is all, it is all right.

*By Mr. Garland (Bow River):*

Q. The only authority would be in case the man violated the Act, and you now have full authority under Section 167 to cancel his license.—A. Yes.

*By Hon. Mr. Malcolm:*

Q. The man is licensed by the Board because he has sufficient knowledge of the Grain Act and sufficient knowledge of the grading of grain to entitle him to operate a country elevator. But if in his work of operating a country elevator, he does not give satisfaction to the owner of the country elevator, because, say, he grades the grain too high and makes the operation of that country elevator unprofitable, he is dismissed. However the producer in the country says that the man does not grade too high, that he is a fair grader and that in the view of those using this house the operator has been right in every instance, and he says "We do not think he should be dismissed." Who is going to decide whether or not he is to be dismissed?

Mr. COOTE: The man who employs him.

Hon. Mr. MALCOLM: The man who employed him is not satisfied, but immediately the question of this man's knowledge of the Grain Act and of grain comes into question, and whether he is working in the best interests of the public is also a question.

Mr. GARLAND: The operator has to function in the grading of wheat; but he does not have to satisfy the Board in the operation of the country elevator, nor would the Board have any power over him.

*By Hon. Mr. Malcolm:*

Q. I am told that there have been cases where a country elevator operator working for the Pool, has not in the opinion of the officers of the Pool operated the country elevator profitably, and they have dismissed him. The producers in that area liked the man and said he was operating in the interests of the producers. On appeal to the officers of the Pool the man has been reengaged.

Mr. GARDINER: That is not evidence.

Hon. Mr. MALCOLM: I know that, but we have to take hypothetical cases to consider what might arise. In a case of that kind, would the man go to his employer and say "I was right in the handling of this house;" or would he go to the Board and say, "Here you gave me a license and I have been dismissed by my employer because I was too generous in my grading."

[Mr. Leslie H. Boyd.]

Mr. GARLAND: Mr. Malcolm is the only person whom I have heard yet, suggesting that the Board should have any authority over the employment or dismissal of any such man. If I get out a license to practise as a legal practitioner, that does not give me any more authority than to practise law if I have the means and the clients. This Board can only give a man a license to operate an elevator in case he can get the job; and his own employer is the sole adjudicator. If the employer decides to dismiss the man, and if the producers in the district who were using the services of the employers' agent, say we are sorry you dismissed him, as he is a good man and we liked him, then if the employer reinstates the man, the Board has nothing to do with it. But if the Board says "No, he is too good a man and he must be kept on," then it is up to the Board, and the Board forces him to be kept.

Mr. Ross: The only condition which I can see where a condition such as is set up by Mr. Malcolm would obtain would be where the Board employs a man, and then no matter what his qualifications are he would have to stay on, as you mentioned awhile ago, Mr. Boyd, because he was appointed by the Civil Service Commission.

Mr. GARLAND: Mr. Chairman, I rise to a point of order. This is a serious matter. The hon. member has just made a statement which is not contained in the Act and which is not a matter of fact. The Civil Service Commission appointees have not a right to permanence of office and may be dismissed for cause at any time.

The CHAIRMAN: By whom?

*By Mr. Ross:*

Q. Mr. Boyd, you mentioned a while ago, that in the appointment of inspectors you would like to have the Board appoint the men, and not the Civil Service Commission. Now, in connection with that do you not think you would have much more efficient service under the Grain Act if the Board of Grain Commissioners were responsible for the appointment of all men in all your services, and set up your own examining board, provided of course that these men were given some opportunity for superannuation, the same as under the Board?—A. That is very important, because I know that the staffs under the Board—

Q. We are asking these questions to get the opinion of a man who has been Chairman of the Board of Grain Commissioners for several years, and we want from you your statement as to what you think should be done.—A. As I understand your question, Mr. Ross, you ask me whether in my opinion all the staffs under the Board should be appointed by the Board, without any interference from the Civil Service Commission?

Q. Yes.—A. Well, I have changed my mind once or twice, and almost three times. Sometimes I have felt that would be more efficient, if we had complete control. There is a condition existing to-day, in so far as the inspectors are concerned, that affects salaries; and the Civil Service Commission appoints the men. Our clerical staff are all appointed by the Civil Service Commission, and their salaries are fixed by schedules set out by them. To my mind we have been working fairly satisfactorily, more particularly as we have the control of the examination taken for the inspectors and for the weigh-men. As long as that examination is held under the supervision of men of knowledge, then I think that perhaps we are getting just as much results as we would if we were doing it ourselves. There would be great danger if the Board had the complete authority of appointments, of being pressed to put men into positions—I do not mean government interference or political interference; but you would be pressed by your friends around all the district, and the Board

would have to simply set down a certain line of examination and say "Well, if you come and sit for your examination, if you pass you will get a position if one is vacant."

Q. Do you not think you could set an examining board who could do that more efficiently than a board sitting in Ottawa?—A. You know, Mr. Ross, this has been a very moot question with us for some years. At one time the staffs wanted to be relieved of the Civil Service Commission. I am not so sure now that they do, because they get lots of privileges; there is superannuation and other matters which they could not afford to miss now that they have been so long with the Board.

Q. And what about putting that in as a stipulation, that that should be retained?—A. I do not know that I could tell you that it would be bettered by taking it away. By doing that you might do something serious. I do not know that there is anything very seriously wrong in the way it is being done at the present time.

Hon. Mr. MALCOLM: This is a question which has to be decided by Parliament. So far as I am concerned, I do not think we are getting very far with our hearing this morning. As Minister, I would not want to make any recommendation to change the system of engaging our employees at the present time.

*By Mr. Vallance:*

Q. I have listened to a great deal of discussion on the hiring and licensing of operators, and I want to ask Mr. Boyd a question. Do you check up, as the Board of Grain Commissioners, each local elevator? That is do you go into his records and take the grain that he buys and get his outturn,—do you go that far?—A. We get certain reports weekly, monthly, and annually from him. We have printed forms, covering what he takes in, what he ships out and what he has outstanding. But we do that monthly and annually in each line or country elevator.

Q. Perhaps I have arrived unjustly at one conclusion from the discussion. It has all been in favour of the operator being acceptable to the company. Now there are two people interested in the handling of an elevator, and I think that if it is possible for your Commission in some manner to check up each country house, you might be in a position to say that a particular man should not operate that country elevator, because you are there looking after the interests of the trade, and of the producer; and if it is left entirely in the hands of the employer, the man must stay. But I would like to see the producer have some say or some check in some way on the men who are running these elevators, as it seems to me that the whole of the argument has been in favour of the owner of the elevator, giving no recognition at all to the man who is using the elevator.—A. If the Board licensed these men, I think it would be the duty of the Board to see that the man who got the license would be a man who would give the producer what he is entitled to.

*By Mr. Donnelly:*

Q. Do you not think that the Brown Commission in their report were of opinion that the Board should see that the man had the proper tickets, that he had the boxes and the locks for the boxes, and if they found the man not doing that they would take his license away from him because he was not living up to the Canada Grain Act; that is, is he was not living up to the Canada Grain Act by keeping the boxes and so on. That is the kind of thing that they had in mind?—A. Perhaps it was. At the same time, Mr. Garland read to me a moment ago a section which said we could dismiss the operator. Will you read it again, Mr. Garland?

Mr. GARLAND: It is section 167 of the Canada Grain Act, and it has nothing whatever to do with the Brown Commission's recommendations. This section says:

In case the Board finds the complaint and charge therein contained, or any part thereof, true, it shall give its decision in writing and shall at once serve a copy of such decision upon the person offending and against whom such complaint was made, and also serve a copy upon the owner of such country elevator; and the Board shall direct such owner to make proper redress to the person injured,

that is rather good. Did you ever hear of the Board making an order that the person injured should be redressed? The section goes on:

and may order the discharge of the offending operator, who shall not be engaged as manager or assistant in any country elevator for the period of one year from such discharge.

2. Upon the failure of such owner to give such proper redress and discharge such operator the Board may cancel the license of the country elevator.

3. In case any other country elevator employs an operator so discharged within the said period of one year the Board shall order the dismissal of such operator, and in case of refusal to comply with the request of the Board in this regard, the Board shall cancel the license of the said country elevator.

In short, the recommendations of the Brown Commission do not go to anything like the same extent as the Act now provides for, in case of complaints against the elevator. In other words it only says that the Board shall see that as far as they can see, the operators of country houses are as efficient men as possible.

The WITNESS: Yes.

*By Mr. Coote:*

Q. Just one other question occurs to me in connection with this point. Do you think that these men who are engaged as operators of country elevators should be able to add and subtract a number of figures representing the number of pounds weight of grain that might be in a wagon load?—A. I certainly do, Mr. Coote.

Q. Then if it was brought to your attention that there was a case in which a mistake was made in subtraction in over half of the tickets in one carload of wheat, you would refuse to give that man a license to operate any longer?—A. I would not think he was qualified to get one.

Mr. COOTE: I personally know of a case where a man who cannot add or subtract any better than that has held a license for fifteen years. In this particular case he was doing the man out of fifteen bushels of wheat.

*By Mr. Vallance:*

Q. What do you require of a man who wants a license to operate an elevator?—A. We have no control over them at all, except under this section.

Q. The elevator itself is licensed, and no man can go in and operate an elevator without a license?—A. All we do, Mr. Vallance, is that we make a list, —a line company files a list with us of all their country elevator agents; and that is all the authority we have over them. We have a list from each company showing who their agents are. But there is nothing in the Act which gives us any further authority to license them, than under that section.

*By Hon. Mr. Stewart:*

Q. Would you see any serious objection to the Board having the responsibility of providing an examination for all country elevator operators, a standard examination which would be held at convenient points, where men might go and take that examination, and a certificate issued by the Board to the individual if he passed that examination? Beyond that it seems to me that is simply a protection for the public that the man going into that elevator to operate it has some knowledge of the Act and would have the necessary requirements as set out by the Board in an examination paper; and that would be all. And after that, let the provisions of the Act remain and if he offends against the Act the Board dismisses him or refuses him a license. But in the case of a disagreement between him and his employer, I think the Board would have nothing to do with that. Do you see any harm to going to that length?—

A. There is only one difficulty I see, and that is in the setting and holding of the examination and having these men coming from all these many thousands of points to pass the examination; but I do not suppose it is unsurmountable.

Q. The examination would be held by the individuals who were appointed in the provinces?—A. And you would have them pay a license fee?

Mr. GARLAND: And you would have an eligible list of unemployed licensed operators, in no time.

*By Mr. Young (Saskatoon):*

Q. It seems to me that if a company has a line of country elevators, there are two sides to be satisfied. One is the producer who brings the grain to the elevator, and the other is the elevator company. I think myself that the producer must have rights, and I am going to suggest this, that one of the values of having an inspector or various inspectors appointed is that when complaints come in the inspector could go, make an investigation, and then report to the Board; and then the Board would have the right, if thought proper, to cancel the license of the elevator, leaving to them the hiring of the individual; but you would have control in the interests of the producers, over the elevator. If we had such inspectors appointed, would we not find that a whole lot of these difficulties would disappear?

Hon. Mr. MALCOLM: The difficulty is, in the case of an operator, not working in the interests of the producer.

Mr. COOTE: I would request that Mr. Boyd be asked to give some thought to the changes, in the next few days. We do not want to hurry him or go into it in great detail, and that we be through with Mr. Boyd for the present, and that he come back in a day or so with his suggestions.

The WITNESS: Certainly.

The CHAIRMAN: Does the Committee wish to hear Mr. Snow this afternoon?

Mr. DONNELLY: Certainly.

The CHAIRMAN: Then we will adjourn until four o'clock this afternoon.

The witness retired.

The Committee adjourned until four o'clock this afternoon.

## AFTERNOON SESSION

The Committee resumed at 4 p.m., the Chairman, Mr. Kay, presiding.

The CHAIRMAN: Order, gentlemen. Mr. Snow, will you come forward?

MATTHEW SNOW called and sworn.

The CHAIRMAN: Gentlemen, Mr. Snow is a member of the Board of Grain Commissioners, I understand.

Mr. GARLAND (*Bow River*): Has Mr. Snow any statement to make.

The WITNESS: No, I do not know that I have any prepared statement to make, except that I would be glad to answer any questions or give any information I possibly can that might be of benefit to the Committee.

*By Mr. Garland (Bow River):*

Q. Mr. Snow, you heard a question put to Mr. Boyd this morning, suggesting to him that you and he had had many years of acute practical experience in the operation and administration of the Canada Grain Act?—A. Yes.

Q. Mr. Boyd was asked to state what changes were in his opinion advisable, especially with respect to the powers of the Board of Grain Commissioners?—A. Yes. As a matter of fact while I was before the Royal Inquiry Commission in Winnipeg, I prepared a list of suggestions and amendments to the Act, and left a copy with the Commission. I have a copy of that with me that I could leave with this Committee, if you so desire.

Q. Would you mind going over it, especially that section dealing with the powers of the Board?—A. As far as the question of giving powers to the Board is concerned, we had a report made to us by Mr. Fisher, our solicitor, whereby he propounded certain ideas of his that would better define the powers of the Board.

Q. Is Mr. Fisher one of the Board of Grain Commissioners?—A. No, he was our solicitor. He took the Act and gave us his ideas on it. His ideas, briefly, are, quoting certain sections of the Railway Act that he thinks would be applicable to the conferred powers upon the Grain Commission, that he thinks would meet the situation.

Q. You are giving Mr. Fisher's opinion; do you concur in it?—A. My own opinion is that there are certain powers in the Act, I think, without being able to quote the sections in the Act—

Q. Have you got them?—A. Well, now, would you like me to read this?

Q. I do not want to unduly embarrass or load up the witness in a case of this kind, but I thought I had made it fairly clear this morning that as far as I was concerned, and I think the Committee is in the same position, we are anxious to get the advice of the Board of Grain Commissioners as to how we can best improve the Act so as to provide them with the powers they now lack and should have. Surely one of the Commissioners can give us that information.

Hon. Mr. STEWART: Mr. Chairman, may I suggest that inasmuch as the Chairman is to furnish us with a written copy of what he would suggest as amendments to the Act, I presume not only so far as the powers of the Board are concerned, but in every other particular, and as both members are here, in order that we will not have a report that seems to be confusing perhaps, that they confer and give us a written document as to what in their opinion are amendments that will be beneficial in the administration of the Act.

Mr. GARLAND (*Bow River*): Do you suggest that the Board go into session now and draw up the amendments which they think will be acceptable?

Hon. Mr. STEWART: I would suggest that.

[Mr. Matthew Snow.]

Mr. GARLAND (*Bow River*): That is your suggestion.

Hon. Mr. STEWART: Yes.

Mr. GARLAND (*Bow River*): I understood this morning that Mr. Boyd had been studying the Act for two years and was pretty well prepared on it. Mr. Snow, I took it for granted would be in the same position. I have no objection to Honourable Mr. Stewart's suggestion, but I submit that so far neither of the witnesses has intimated that he was in a position to make any recommendations with regard to the powers of the Board. Mr. Snow has just stated that some written opinion on the part of an official, some lawyer attached to the Board is in his hands, but he has not said whether he or Mr. Boyd supported it or not. I do not know what their opinions are, and Mr. Fisher's opinions are not worth a hoot in blazes to us.

Hon. Mr. STEWART: That is just my opinion, Mr. Chairman. We are not concerned in any lengthy document prepared by the legal adviser of the Board. What I want—and I am not offering any suggestions as to what they should give us—but after the examination of the Chairman this morning, and his promise that he would furnish us with a written document giving what in his opinion would be beneficial amendments to the Act, I suggest that in view of the fact that both members are here, if we could get that combined in one document we would not have the confusion we might get in dealing with Mr. Fisher's statement.

Mr. GARLAND (*Bow River*): I am agreeable to the Hon. Mr. Stewart's suggestion but that involves delay until to-morrow. Let them make these suggested changes, and we can examine them on their recommendations and find out why they think they should be put through. It is useless for them to give a written opinion unless we can examine them as to why they put in these suggestions, and why they think they are necessary.

*By Mr. McMillan:*

Q. Do you accept that statement there as your suggestions to the Board?  
—A. You mean Mr. Fisher's proposals?

Q. Yes?—A. I have not had an opportunity to talk this matter over with Mr. Boyd. I only got Mr. Fisher's recommendations on Sunday. I only got back from the West Sunday morning, and had to leave for Ottawa Sunday night. Really I have not had time to study the matter. He only left it with me on Sunday. But Mr. Boyd and his secretary and myself started on that work this afternoon as soon as this Committee adjourned, and we did intend to prepare something along these lines. We could send it to you very soon, then you could discuss it and we could give any reasons we could give for having decided on it.

Hon. Mr. STEWART: The only reason I interject at all is this; we have a volume of evidence now which if we were to undertake to dissect and get it drafted into legislation would be a very difficult problem, Mr. Chairman, for this Committee. I as one member am not interested in what officials of the Board may suggest as to changes, but I am interested in what Mr. Snow and Mr. Boyd suggest, concretely, not in too much detail, but bearing directly on the particular and special sections of that Act that they think in their opinion need attention now. This Committee, if I may be permitted to say so, Mr. Chairman, is not going to be able this session to cure all the defects that are in the Canada Grain Act. But there are a few outstanding defects we ought to cure, and these are the ones we are practically interested in. I do not want to direct the evidence, or to suggest what the Chairman will advise,

but I want, if I can, to get it home to the members of the Board not to touch too much ground, but just the things which they think in their opinion need adjustment, and why they need adjustment.

*By Mr. Gardiner:*

Q. A few months ago a member of the Board stated at a public meeting that it was impossible for the Board to enforce its own orders. If that is the opinion of one of the members of the Board, I suppose it is naturally the opinion of the three members of the Board. I should like to ask Mr. Snow if he can give us this afternoon the weaknesses of the Act as he has found it in his administration?—A. I hardly agree with a statement of that kind myself. I think in many ways the Board are able to carry out any regulations they might make, or any rules upon any questions that might arise.

Q. Can you enforce your orders; I am not speaking of regulations, I am speaking of orders of the Board?—A. I do not think I can recollect any instance. I do not think I can recollect any case that came up when we were not able to enforce our ruling. I cannot recollect any.

Q. Are you quite satisfied, Mr. Snow, that any order which is based upon the Canada Grain Act you can enforce without any trouble?—A. I do not know that, but I would like to say that there is nothing in my mind that I can think of of that kind that might arise in connection with the carrying out of the provisions of the Canada Grain Act that we could not enforce. I may be wrong in that. I do not know that anything has ever come up, that I have had anything to do with.

*By Mr. McMillan:*

Q. That you have not been able to enforce?—A. Yes. I will admit this much, that going through the Act, there are certain sections that give certain powers to the Grain Commissioners, and impose certain penalties; and our idea was that there could be a general clause put in the Act that would do away with these different clauses and would give the Board full authority to deal with any question that might arise in connection with the grain trade. We might have something drafted along that line, so that there could be no ambiguity about, and no question about the powers of the Board to enforce it and carry it out. I think that is what we would try to do, draft something along that line that we would submit to this Committee, so that they might clarify these sections where there might be some doubt about it.

*By Mr. Gardiner:*

Q. Can you point to some section in the present Act that it might be necessary to clarify, in order to carry out the purposes of the Act? Can you mention a section?

Mr. GARLAND: Mr. Chairman, may I suggest that if the Committee is going to receive these suggestions made by Mr. Stewart, some of this discussion may be unnecessary?

The CHAIRMAN: Yes.

Mr. GARLAND: I think we can cross-examine Mr. Boyd and Mr. Snow tomorrow on their own recommendations, and we would probably get a good deal further.

The WITNESS: I think we would be in a better position to give you clearer answers and a clearer exposition.

Mr. GARLAND: With all due deference to you, Mr. Snow, in your evidence, I feel that you yourself have had considerable misgivings as to your power to enforce your rulings. I am not cross-examining you on that, but I think that

you and Mr. Boyd have found yourselves in difficulties from time to time. You may have successfully negotiated those difficulties by diplomatic means, or you may have just let them drop. Irrespective of that, I would like to see you insure that the Act now, in respect to the Board at least, shall be so clarified and strengthened that never again in Canada will we have a member of the Board of Grain Commissioners coming before a convention and stating that "I have no more power to enforce the rulings of the Board than any delegate present." I am not passing any criticism at this stage, but I am simply saying that you and Mr. Boyd should keep that in mind when you are drawing up your recommendations to present to the Committee to-morrow.

Mr. COOTE: Mr. Chairman, in view of what has happened in the House this afternoon, I would rather hesitate to see the Committee adjourn until to-morrow with the hope of receiving a report from the Board of Grain Commissioners. The motion in the House this afternoon was that after Monday the House sit in the mornings. It looks that if it might not take the House more than a week to conclude its business after they start morning sittings; and if there are to be any amendments in the Grain Act resulting from a report of this Committee, I think we will have to start to-morrow to draft a report for the Committee.

Personally I would like to receive the report from the two Commissioners, and it may be that we will have to adopt that anyway; but I do not want to suggest to the Committee to carefully consider whether they cannot start to-morrow to draft their report; for I think it would be very unfortunate, to put the case mildly, if this House should adjourn without any amendment to the Canada Grain Act. The reason I mention this at present is because of what occurred in the House this afternoon and of reports which have appeared in the press that all amendments of the Grain Act would have to be deferred until the next session of Parliament.

Hon. Mr. MALCOLM: I was not aware that any such report had appeared in the press, but I want to assure Mr. Coote and the Committee that no such thought is in the minds of the government. It was our hope that after hearing the Board to-day and to-morrow the outline of changes in the Act which we had discussed in sub-Committee would be then easier of review in the light of the evidence of Mr. Steele and of the late witnesses and of the Board themselves. My thought was that after to-morrow the Sub-Committee could immediately get to work on all the evidence and make recommendations for amendments to the Grain Act at once, so that the report might be brought down next week.

Mr. ROSS: How long will it take Mr. Snow and Mr. Boyd to do the work of preparing their recommendations to the Committee?

The CHAIRMAN: That would depend upon how soon you release them.

Mr. GARLAND: I think they should be given a fair show. I deeply regret that the Commissioners, realizing why they were being called, have not already done that. But in spite of Mr. Coote's statements as to the dangers of delay, we will have to wait.

The CHAIRMAN: I think the House will have to wait. It seems to me that the best way to expedite the matter would be for us to adjourn at once.

Hon. Mr. MALCOLM: I have only one suggestion. I think the Committee might meet earlier, say at ten o'clock. I think all the members of the Committee know that Mr. Snow and Mr. Boyd have not met until this morning for a month. I would suggest that the Committee rise now, and that Mr. Rathbone, Mr. Boyd and Mr. Snow compare the notes which they have been preparing for some time, and bring their recommendations to the Committee to-morrow morning at ten o'clock.

The Committee adjourned until 10 a.m. to-morrow morning.







E.M.20-8-84

